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INTERNATIONAL

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TODAY'S WEATHER FORECAST—PARIS: sun. Temp. 10-15 (50-60). Tomorrow variable. Temp. 10-15 (50-60). LONDON: sun. Temp. 10-15 (50-60). Tomorrow variable. Temp. 10-15 (50-60). CHANNING: sun. Temp. 10-15 (50-60). Tomorrow variable. Temp. 10-15 (50-60). NEW YORK: sun. Temp. 10-15 (50-60). Tomorrow variable. Temp. 10-15 (50-60). ADDITIONAL WEATHER—COMIC PAGE.

Austria	10 S	Lebanon	10 S
Belgium	10 S	Luxembourg	10 S
Denmark	10 S	Morocco	10 S
France	10 S	Netherlands	10 S
Germany	10 S	Nigeria	10 S
Greece	10 S	Portugal	10 S
Ireland	10 S	Spain	10 S
Italy	10 S	Sweden	10 S
Japan	10 S	Switzerland	10 S
South Africa	10 S	Turkey	10 S
U.S.	10 S	U.S. Military (Eur.)	10 S
U.S. Military (Asia)	10 S	U.S. Military (Africa)	10 S



FTER ISRAELI RAID—Lebanese family surveying the wreckage of their home, one of a blown up by Israelis during an early morning raid yesterday on a Lebanon town.

## Guerrillas Shell Kibbutzim

TEL AVIV, Dec. 18 (UPI)—Lebanese guerrillas fired a mortar shell into a kibbutz in northern Israel today, blowing up six houses in a village suspected to be an Arab guerrilla hideout.

While the Israeli troops were in Lebanon, an Arab guerrilla unit briefly entered Israel and fired rockets and threw grenades at the kibbutz of Hanita, 10 yards south of the frontier, a military command said. No casualties or damage were reported.

## Israeli Unit Raids Lebanese Town

Later, the command said, rockets and small weapons fire from Lebanon was directed at kibbutz snipers in northeastern Israel, miles from Hanita. Israeli forces returned fire. Neither side reported damage or casualties.

Israeli troops went five miles to Lebanon to the village of al-Jadid Zoun, where the military command said they blew up six houses after evacuating the residents. It said that the troops of two suspected Lebanese guerrilla collaborators, back with them.

## One Dealer Jailed

PARIS, Dec. 18 (UPI)—Two members of one of Bordeaux's most prestigious wine merchant families today were found guilty of mislabeling and doctoring wine in a scandal that has beset the reputation of French quality wines here and abroad.

## Cruses, Six Others, Are Guilty In Bordeaux 'Winegate' Case

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## France Will Build Nuclear-Powered Helicopter Carrier

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## Worsening Inflation Forecast By OECD

By Carl Gewirtz

PARIS, Dec. 18 (UPI)—Inflation in the industrialized world will be worse and will decelerate more slowly over the next year than has been expected, and the number of recent, recession-caused layoffs could triple to six million, the Organization for Economic Cooperation and Development predicted today.

In the most pessimistic report in its 13-year history, the OECD said its 24 member nations are facing "economic problems" unprecedented outside time of war, but have only piecemeal responses to rely on, which makes finding solutions even more difficult.

Warning that the "pronounced and prolonged slowdown" it sees could begin feeding on itself, the OECD stated that "there is a risk of a break in confidence."

## Urges Economic Easing

To prevent this, the secretariat recommended that government economic policies be eased "in the fairly near future." Failing this, the experts cautioned, "much more drastic intervention" at a later date would not doubt be taken and that would risk producing a "violent deflation" and an "inflationary boom like 1972-73."

But the experts stressed that the "expansionary action" would need to be cautious. Inflation is still proceeding at an intolerable rate.

Even if its advice were followed immediately, however, the OECD acknowledges that it would be the end of next year before "something like normal growth gets under way" and early 1976 before the unemployment level begins to stabilize.

The U.S. economy will be the most depressed among the OECD states, with a decline in activity of 1.3 per cent this year and an estimated 2 per cent next year, and the U.S. unemployment rate, currently at about 6.5 per cent, might approach 8 per cent by the end of 1975, the semiannual Economic Outlook said.

"The depressive effect on confidence of a decline in the United States of the present expected depth and duration" virtually rules out any chance of the rest of the OECD states enjoying a sustained expansion of activity, the report said.

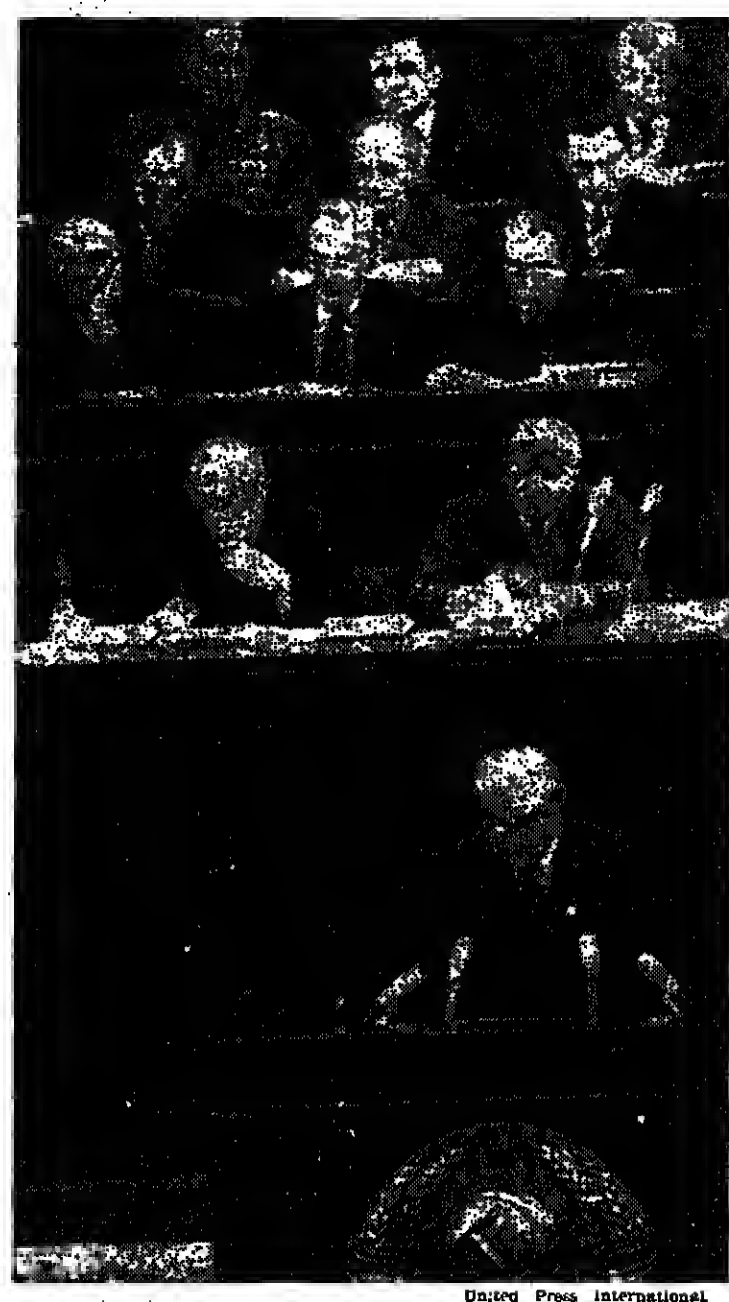
Unused resources "It seems probable that on the basis of the output projections to end-1975 there will be more unused resources in each major OECD country—Canada apart—than at any time in the last 20 years," the experts said.

Inflation, now increasing at about 15 per cent a year, could decline to an 11-per-cent annual rate of increase by the end of next year, but over this slight improvement may be overly optimistic, the report said.

In the United States, consumer prices are expected to rise 11 per cent next year compared with 11 1/2 per cent this year. In Japan, next year's gain is put at 16 per cent, compared with 25 per cent in 1974. In West Germany, price increases should slow to 7 per cent from the 7 1/2 per cent of 1974.

In Britain, however, the price index is seen rising 18 per cent next year, up from an estimated 14 3/4 per cent this year. In Italy, the increase is put at 20 1/4 per cent next year compared with 19 1/4 per cent this year.

Earlier this year, the report stated, "the rise in oil and other commodity prices played the (Continued on Page 7, Col. 5)



AT SUPREME SOVIET—Nikolai Baibakov, state planning chairman, announcing details of 1975 plans. In the second row are, from left, President Nikolai Podgorniy, Premier Alexei Kosygin and party chief Leonid Brezhnev.

## Grain Shortage Indicated

## Consumer Goods and Harvest Fail to Reach Soviet Targets

MOSCOW, Dec. 18 (UPI)—Soviet economists said today that bad weather had caused this year's grain harvest to fall below plan and that sluggish industrial output would mean less goods for the consumer in 1975.

Planners acknowledged that the economy will not make good on a 1971 promise by the Communist party general secretary, Leonid Brezhnev, to "saturate the market with consumer goods" by the end of the current five-year plan.

Details on this year's economic performance and the state plan and budget for 1975 were announced at the semiannual meeting of the Supreme Soviet (parliament).

The budget included a slightly reduced defense expenditure.

The state planning chairman, Nikolai Baibakov, said there would be particular stress next year on improving the quality of production and increased output of oil, gas and other fuels from Siberia.

Although the 195.5 million tons of grain harvested was 10 million tons under target, Mr. Baibakov hailed it as the second largest in the nation's history.

"It was accomplished despite severe weather conditions," he said.

Western experts said that the harvest—24.5 million tons under last year's record—would probably leave the Russians short of feed grain with which they hoped to raise meat output. They said the shortfall could explain a Soviet move to purchase U.S. grain this fall.

President Ford blocked the \$500-million sale at the last minute because of a disappointing U.S. harvest and the prospect of higher food prices.

Shift in Production Mr. Baibakov announced a shift from emphasizing consumer goods production in 1975. He said next year's target increase for light industry, which produces consumer items, is 6 per cent and for heavy industry 7 per cent.

Last year, the economy recovered well enough from the 1973 slump to allow a return this year to increased consumer production.

He indicated that sluggish industrial output this year caused the return to accentuating heavy industry.

Finance Minister Vasily Gerasimov said the 1975 budget would total 200.2 billion rubles (\$236.8 billion at the official rate of exchange). This includes 17.4 billion rubles (\$23.8 billion) on defense, marginally lower than the previous four years of the plan.

Barometer of K. mlin Western military experts regard the announced defense figure as more a barometer of Kremlin thinking than a true picture of how much is spent on the military. They say the real figure may be triple the published one, with defense funds concealed in other sectors of the budget.

Citing delays in construction and uneven performance of manufacturing plants, Mr. Baibakov said planned targets for light industry would not be met for the five-year period.

Western experts said after 1973 figures were announced that indications were the Soviet Union would fall short of many of its original targets for the 1971-75 plan.

## Russia Denies Deal With U.S. On Emigration

By Christopher S. Wren

MOSCOW, Dec. 18 (UPI)—The Soviet Union today strongly denied that it had given any specific assurances that the conditions for emigration of Soviet Jews and other minorities would be eased in return for American trade concessions and credits.

Tass asserted in a statement that "leading circles" in the Soviet Union "flatly rejected as unacceptable" any attempts to attach conditions to the reduction of tariffs on Soviet imports or to otherwise "interfere in internal affairs" of the Soviet Union. To support its contention that no formal agreement had been struck on the emigration issue, Tass circulated a letter allegedly sent by Soviet Foreign Minister Andrei Gromyko to Secretary of State Henry Kissinger Oct. 28.

In that letter, which was dated only eight days after the purported agreement had been announced in Washington by Sen. Henry Jackson, D-Wash. Mr. Gromyko not only denied that Moscow had agreed to an increased quota on the number of Jews permitted to emigrate but also said he had told Mr. Kissinger that the number of Jewish emigrants might be expected to decline.

Diplomats Surprised The Tass statement and the letter bearing Mr. Gromyko's name caused considerable confusion here among Western diplomats, who were uncertain whether the Russian moves constituted a face-saving device or an actual declaration by Moscow that it would not make any concessions on the matter of emigration.

While the Soviet Union has never acknowledged any agreement on emigration, American diplomats here have said that its existence was also not denied by high-ranking Soviet officials in private conversations.

Tonight, an American diplomat noted optimistically that the Soviet language had not entirely ruled out some sort of more informal understanding, and that the response might be intended generally for domestic consumption on the eve of the trade bill's enactment.

While this interpretation was not shared by several other more pessimistic observers, the announcement did appear keyed to the pending congressional vote to grant the Russians most-favored-nation status in return for freer Soviet emigration. Tass had recognized at the outset of its statement that the trade bill was now "subject to final endorsement."

The Senate passed the trade bill Friday and sent it to conference with the House. At the White House, AP reported, Deputy Press Secretary John Hushen said, "Until we ascertain what the facts are, we'll have no reaction."

The timing seemed calculated to make it awkward for Congress to pull back the trade concessions, which former President Richard Nixon initially offered Soviet leader Leonid Brezhnev in their first summit meeting, in 1972.

However, the denial might also have resulted from the closed plenary session that was held here by the powerful Central Committee of the Communist party Monday and yesterday, at which the emigration issue is now believed likely to have been discussed.

Having left its options open by (Continued on Page 2, Col. 1)

## U.S. Balance Of Payments Deficit Grows

Gap Is \$3.6 Billion, 2d Biggest Recorded

By Edwin L. Dale Jr.

WASHINGTON, Dec. 18 (UPI)—The deficit in the "basic" U.S. balance of payments rose to \$3.6 billion in the third quarter of the year from \$2.5 billion in the second, the Commerce Department reported today.

While the deficit in this measure—known formally as the balance on current account and long-term capital—was the second largest on record, it reflected mainly the distortions caused by the international oil situation.

For example, there was an advance saving of more than \$1.7 billion in the section of the accounts called foreign direct investment in the United States, which today's report said was attributable to "a large payment to a foreign petroleum affiliate, associated with liabilities previously incurred." No further details were made available because of the confidentiality of company reports.

The balance on current account, which includes all transactions other than flows of capital to and from the United States, actually improved by \$500 million in the third quarter, to a reduced deficit of \$1.6 billion. It would have been in surplus but for the huge increase in the cost of imported oil, which has worsened the export-import trade balance.

Never Before Most industrial nations, with West Germany one of the few exceptions, are running a deficit on current account this year, something that has never happened before. The combined deficit is the counterpart of the huge surplus of funds being amassed by the oil-producing countries.

Viewed in this sense, the U.S. performance has been no worse than most other industrial nations and has been better than some because U.S. exports have held up very well.

The United States has been getting at least its proportionate share as the oil-producing countries invest their surplus funds, mainly in the industrial countries. But because most of these investments are in the form of bank deposits and short-term securities, the inflow of the funds is not recorded in the "basic" balance of payments, which includes only long-term capital flows.

## Congress Approves Aid Bill; Turkey Is on List Till Feb. 5

WASHINGTON, Dec. 18 (AP)—Congress sent President Ford a foreign aid bill today renewing aid for Turkey.

The House took final legislative action on the measure, passing the legislation 209 to 189 and thus removing one of the last obstacles to adjournment this week. Still awaiting approval is a bill providing public service jobs for the unemployed.

The Senate passed the \$2.7-billion foreign aid bill with the provision on Turkey yesterday.

The bill was approved as a result of a compromise worked out by Secretary of State Henry Kissinger and influential House members to renew military aid for Turkey until Feb. 5. Congress cut off the aid because of Turkey's invasion of Cyprus.

House and Senate conferees agreed on legislation authorizing \$5.5 billion for up to 330,000 public service jobs in local government and for jobless benefits to millions of people who are not now eligible. A companion bill would extend unemployment benefits for 53 weeks.

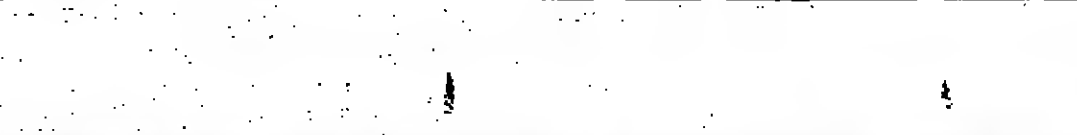
President Ford asked Congress to appropriate \$4 billion right away for 110,000 public service jobs and extended unemployment compensation benefits. A House committee approved that appropriation last night.

The only other important business facing Congress is confirmation of Nelson Rockefeller as vice-president.

This is scheduled for final House approval late tomorrow, and he is to be sworn in as vice-president as hour later in the Senate chamber. The Senate has approved live television coverage of the swearing-in, the first such TV broadcast.



LEADING UP TO HOLY YEAR—Vatican officials displaying medals commemorating Holy Years from 1300 to 1500 which were taken from the box on the table. The box had been sealed in the wall of the Holy Door which will be opened by Pope Paul on Christmas Eve to mark the beginning of the Holy Year of 1975.



LEADING UP TO HOLY YEAR—Vatican officials displaying medals commemorating Holy Years from 1300 to 1500 which were taken from the box on the table. The box had been sealed in the wall of the Holy Door which will be opened by Pope Paul on Christmas Eve to mark the beginning of the Holy Year of 1975.



## Split on U.S. Pullback Proposals

## Egypt-Syria Rift Seen on Next Step

By Seymour Topping

DAMASCUS (NYT)—A serious rift has developed between Egypt and Syria over U.S. proposals for a second step in the disengagement of Arab and Israeli armies.

This was learned in conversations with senior officials in Cairo and Damascus and during visits to the fronts in the Sinai Peninsula and the Golan Heights.

President Hafez al-Assad of Syria has warned President Anwar Sadat of Egypt that he would fall into a trap if he accepted another partial withdrawal of Israeli forces in the Sinai, as proposed by Secretary of State Henry Kissinger.

The Syrians insist that any further disengagement provide for a total pullback of Israeli troops from the Golan Heights. The Syrians say that acceptance of a partial withdrawal would

tend to freeze truce lines in such a way as to deny Damascus any prospect of recovering Golan for several years.

The Syrians have not excluded military action on their front to frustrate any Egyptian acceptance of a partial disengagement accord.

Abn Rudeis Oil Field

According to authoritative diplomatic sources, Mr. Sadat was understood to be counting on Mr. Kissinger to deliver a second-phase disengagement accord by which Israel would yield its present line on the Sinai mountain passes as well as the important Abu Rudeis oil field, held by Israeli forces since the 1967 war. Mr. Sadat, the sources said, hopes that the agreement can be reached before the Soviet leader, Leonid Brezhnev, visits Cairo Jan. 14.

Israel would be extremely reluctant to hand back the oil fields, which are estimated to provide 60 per cent of its oil needs, without major Arab political concessions or at least a truce agreement that might last several years.

If a disengagement agreement is reached that includes the oil fields, according to the sources, Mr. Sadat would be prepared for lengthy negotiations at a Geneva conference on a full peace settlement, but in the Egyptian view would include Israeli withdrawal to its 1967 boundaries.

Department spokesman Robert Anderson said that the United States is ready to supply reactors to Egypt and Israel "in tandem or separately."

even if a similar sale to Israel falls through, the State Department said yesterday.

The department's statement followed reports that Israeli Foreign Minister Yigal Allon told Secretary of State Henry Kissinger last week that Israel is not interested in receiving a U.S. nuclear power plant at this time.

Department spokesman Robert Anderson said that the United States is ready to supply reactors to Egypt and Israel "in tandem or separately."

Sardinia Ransom Paid

NORO, Sardinia, Dec. 18 (Reuters).—Ghanneppe Ragas, 52, the head of a building company who was kidnapped four weeks ago, was released Monday for a ransom of at least \$120,000, police sources said.

U.S. A-Plant Sale

WASHINGTON, Dec. 18 (AP).—The United States is ready to move ahead with plans to provide Egypt with a nuclear power plant

## In Same Coastal Area

## Israelis Raid Lebanon Town, Guerrillas Shell Kibbutzim

(Continued from Page 1)

Israel said that in the next 10 years, his nation must develop its own supplies of food, water, power and weaponry because "I don't think that our salvation will come from political steps."

In a related development, the Iranian government today denied press reports that Iran would fight against Israel in the event of a new Arab-Israeli conflict.

The official denial referred to a recent interview of the Shah by a Lebanese journalist, according to government officials here, the journalist misquoted the Shah saying that Iran would go to war with Israel.

WASHINGTON, Dec. 18 (AP).—The United States is ready to move ahead with plans to provide Egypt with a nuclear power plant

## Moscow Denies It Pledged Freer Emigration for Jews

(Continued from Page 1)

maintaining silence, the Soviet leadership may have resolved to take the tougher line rather than let the congressional assumptions about a compromise pass unchallenged, either because of conservative pressure from within the Kremlin or because of official anger at the publicity the reported emigration agreement had received in the West.

It was also possible that Moscow was moved to act by Arab criticism of Soviet Jewish emigration and particularly Egypt's proposal earlier this week that Israel restrict further immigration of Jews.

The first acknowledgment here that the West presumed an agreement existed appeared last night when both the Tass state-

## EEC Aide to Hold First Talks With Comecon Official

BRUSSELS, Dec. 18 (NYT).—The first exploratory talks between the European Economic Community and its Soviet bloc equivalent, Comecon, are to take place in Moscow early next month.

This is in response to an invitation to the European Commission president, François-Xavier Ortoli, issued last month. The invitation suggested that he visit the Soviet capital for talks with Comecon's secretary, Nikolai Fadeyev, to discuss ways of improving trade relations between the two blocs.

Since then, the EEC has had difficulty in finding out what topics the Russians wish to talk about. There is also some uncertainty here concerning Comecon's authority to embark on wide-ranging talks.

It has been agreed, therefore, that it is too early yet for Mr. Ortoli to visit Moscow. Instead, a senior EEC official—probably Edmund Wallenstein, commission director-general for external trade—will go next month. If all goes well, Mr. Ortoli will follow in the spring.

Next month's talks represent a tentative development in a process begun in August, 1972, when Mr. Fadeyev made a cautious suggestion that the EEC and Comecon should explore the possibility of contacts for "negotiation."

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GULLIVER TRAVELS—This giant effigy of Gulliver was one of more than 30 floats in a Christmas pageant parade seen by 250,000 in Perth, Australia.

## UN Fund Is Boycotted by U.S.; Annual Vote Proposed for Tory Leader

By Kathleen Teltsch

UNITED NATIONS, N.Y., Dec. 18 (NYT).—The United States said yesterday that it would boycott a special fund being set up here to provide emergency relief and development aid to the economically hardest hit countries.

The decision, announced last night in the General Assembly, marked the first time that the United States had declined to participate in a new UN undertaking. It was certain to be seen here as retaliation for controversial decisions taken at this session by a coalition of Arab, African, Asian and Communist countries, which John Scall, the chief U.S. representative, assailed as a "tyranny of the majority."

The United States has been warning since May that it would not give money to the fund, which was created mainly at the insistence of Third World countries at a special Assembly meeting in April. However, the final response goes further in that the United States has decided that it will not even serve on the 36-nation board of governors of the fund.

## No Warning

The United States has given no warning to other delegates or to UN officials of its intentions when the fund was discussed by an Assembly committee recently except to recall its deep misgivings about the venture and its preference for direct aid by the United States or other countries, or through existing machinery.

In response to a question, Clarence Ferguson Jr., a U.S. representative, declared that there was a reprisal element in the action. He said it was an attempt to "tell it as it is," meaning that the United States did not consider the fund necessary, and felt that it had no chance of attracting enough money to help the countries hurt by the quadrupled price of oil and the rise in the cost of other commodities.

## Basque Group Said to Slay 2 Policemen, Wound 2 Others

MADRID, Dec. 18 (UPI).—Two policemen in the Basque area of Spain were shot today, police sources said. The incident followed the fatal shooting yesterday of two policemen, which the sources blamed on Basque separatist guerrillas.

The sources said two Civil Guards (rural state police) were wounded by machine-gun fire in the town of Urduliz, near Bilbao, by members of the underground separatist organization, ETA (Basque Homeland and Liberty).

The two men were wounded during an unsuccessful holdup of a Christmas payroll of 25 million pesetas (\$438,000) from a metalworking factory, the sources said.

Yesterday a Civil Guard commander at Mondragon, near San Sebastian, and an aide were slain by submachine-gun fire. Police sources also blamed the ETA for the slayings.

Police early today opened fire on a car that refused to stop at a roadblock.

## Cable Car Accident Kills Two Americans

AUCKLAND, New Zealand, Dec. 18 (AP).—Two American women were killed in an aerial cable car accident today, at the South Island resort of Queenstown.

The cable rises 1,500 feet from Queenstown to a chalet restaurant above the town. The car carrying the two women slid out of control about 100 yards down the cable and crashed into an empty car, throwing the women 40 feet down to the rugged terrain below.

## PLO Confirms Plot to Murder Hussein in Rabat

TUNIS, Dec. 18 (UPI).—Palestinian guerrilla leader Abou Iyad has confirmed in a newspaper interview that Palestinian youths last October planned to kill Jordan's King Hussein during the Arab summit in Rabat.

Mr. Iyad, No. 2 man in the Palestine Liberation Organization, said in the weekly newspaper Dialogue that he sympathized with the Palestinian youths but he did not claim any responsibility for the plot.

His statement was the first Palestinian confirmation of reports that Moroccan police had rounded up a group of Palestinian gunmen planning to kill Hussein during the summit.

"I am frank. It was King Hussein who condemned himself to death the day on which he had ordered his troops to massacre Palestinians in Jordan," Mr. Iyad said, recalling the 1970 fighting in Amman.

"I cannot but understand the true motives which had prompted a certain number of young Palestinians to try to liquidate Hussein in Rabat," he said.

## Saigon Troops Retake Airstrip, Lose 2 Posts

SAIGON, Dec. 18 (AP).—South Vietnamese forces recaptured a small airstrip, less than 24 hours after it was lost to Communist forces, but gave up two other positions in Phuoc Long Province, the Saigon military command announced.

The command said its forces drove North Vietnamese and Viet Cong troops from the airstrip near the town of Don Luan. The Communists hit the town with 50 mortar shells, but there were no casualties, the command said.

Meanwhile, heavy gunfire forced about 70 government militia troops to retreat from bridges near Don Luan and Bo Duc, about 40 miles to the north, the command reported.

The government reported that South Vietnamese losses in the 12-day-old Communist offensive had risen to 4,970 men—877 killed, 9,360 wounded and 733 missing.

Political sources said the heavy losses were bound to have a demoralizing effect on the South Vietnamese Army and foment

## Sees No Gain in Renegotiation

## Whitlam Condemns British For 'Shilly-Shallying' on EEC

By David Haworth

BRUSSELS, Dec. 18 (NYT).—Australian Prime Minister Gough Whitlam today condemned Britain's attempts to renegotiate its terms of membership in the European Economic Community as "shilly-shallying." He added that his country saw no advantage for Britain, Europe or the rest of the world in a withdrawal by Britain from the EEC.

His blunt words at a news conference here following two days of talks with EEC officials came as a surprise. They were deliberately aimed to precede his visit to London, where he is due to meet Prime Minister Harold Wilson tomorrow.

Mr. Whitlam underlined his lack of sympathy with Britain's position by saying that it was "symbolic" of his country's present attitude and priorities that he had traveled to Brussels rather than going first to London.

He also said that "the days when Australian governments and producers believed it was useful to have a special economic relationship with Britain are long since passed."

The Prime Minister stressed that the progress Australia had made in diversifying export markets, particularly commodities, had reduced the effect on Australia of Britain joining the EEC.

"Our ability to overcome these transitional problems has reinforced our self-confidence. We are not concerned to turn back the clock. We regard any renegotiation of Britain's membership as a matter for Britain and its European partners," Mr. Whitlam said.

Although his country wants some changes in the EEC's common agricultural policy, he said: "Australia will not be appealing to British sentiment, but to the interests of Britain and all her partners in the community."

Some EEC officials said today that it was significant that Mr. Whitlam had come to Brussels—the first European visit by an Australian prime minister for 15 years—one month after a similar trip by Canadian Prime Minister Pierre Elliott Trudeau.

They believe both nations are in a hurry to improve their relations with the whole community as a substitute for their previously close ties with Britain alone.

There was some tough talking, however, between the Commission and Mr. Whitlam. The EEC is anxious for guaranteed supplies of Australian uranium, but Mr. Whitlam said he was looking for other customers as well.

Amoyed by the continuing ban on beef imports from outside the EEC, which has hurt Australian producers, Mr. Whitlam said it was clear that if Australia were going to make investments in uranium production "we will have to bear in mind the dependability of our trading partner."

## 10 Persons Reported Injured By 2 Bomb Blasts in Bristol

From Wire Dispatches

LONDON, Dec. 18.—Two bombs exploded within 15 minutes in Bristol tonight injuring 10 persons, police said.

The blasts occurred within a short distance of one another on Park Street, a busy shopping thoroughfare in the center of the city, 120 miles west of London.

A spokesman for the Royal Air Force said that none of the injuries were serious.

Ambulances rushed to the scene and police sealed off streets in case other bombs had been planted.

The bomb attack was the second in Britain in 24 hours and the latest in a series of bombings which police blame on the outlawed Irish Republican Army.

Food and drink today issued descriptions of two girls sought in prime suspects in one of three bombings in London last night.

The girls were sought in connection with a bombing in which a man died and three were injured.

The girls were seen running away from the blast at a telephone exchange in the Bloomsbury district, near the West End entertainment district.

One showed evidence of a blast rocked the Phoenix Theatre, sending scenery and masonry flying.

Explosion in Belfast

BELFAST, Dec. 18 (UPI).—A bomb blast shattered a greeting card shop and damaged nearby buildings in central Belfast today, but police said no one was injured.

The area had been cleared of Christmas shoppers after a telephone caller gave 15 minutes' warning that a bomb had been planted.

## WW II Australia Units Guinea Pigs for Gases

CANBERRA, Dec. 18 (Reuters).—Australian troops in World War II were used as "guinea pigs" in poison-gas experiments, a federal minister has confirmed.

Sen. John Wheeldon, Minister for Repatriation and Compensation, said that wartime experiments with mustard and other gases had taken place in Australia. His statement followed reports a fortnight ago by a former army captain and a former warrant officer that they had taken part in the secret tests with 1,000 troops in New South Wales and Queensland in 1942.

## Flea for Cease-Fire

SAIGON, Dec. 18 (Reuters).—Sen. Vu Van Man, the leader of South Vietnam's Buddhist-backed opposition National Reconciliation Forces, appealed here today for a prolonged cease-fire to start at Christmas.

He said he sought a truce at least until "the end of the Vietnamese New Year (Feb. 14) to create favorable conditions for the restoration of peace and the implementation of the Paris peace agreements."

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## Meeting in Texas

Astrophysicists Explore Data  
on Gamma Ray Phenomena

By Walter Sullivan

L.L.A.S., Texas, Dec. 18 (AP).—Specialists in the most recent events, such as the explosions called supernovas, examined yesterday the data for one class of events in the universe whose nature and location remain unknown.

Endless Use  
of X-Rays  
Criticized

HEINGTON, Dec. 18 (AP).—Necessary X-rays cost Americans an estimated \$1.4 billion a year, according to a report today by Ralph Nader's research group.

Professor of physics at San Jose State, said 30 per cent of the total annual medical X-rays taken annually are not medically justified, blamed poor judgment by physicians and dentists for the excessive use of X-rays. The total annual medical X-rays are only 100 million a year, patients receive 14 times more for dental X-rays than they are for medical X-rays, he said.

His report, entitled "Medical X-rays: A Consumer's Guide to Avoiding Unnecessary Exposure," warns that radiation may increase the risk of birth defects, mutations, cancer and other ailments already are bombarded from nuclear weapons, television sets, radium watches and high-altitude X-rays, but X-rays are the largest of man-made radiation exposure in the United States, he said.

He said radiation cannot be seen, the damage may not be felt for years, Dr. Laws said that young children and pregnant women and their parents are most at risk. He cautioned against routine X-ray examinations, she said that a patient with a suspected fracture should not wait for a diagnosis, but should get an X-ray as soon as possible, he said.

Ill in France  
Is Delayed

PARIS, Dec. 18 (Reuters).—A French official posted to French cities Paris are taking up to 16 days to arrive despite the settlement of a postal strike three days ago, the newspaper France-Press reported today.

Newspaper posted 50 letters the day the strike ended. After, to Lille, about 125 north of Paris, took 18 days delivered. Letters to Reims, Toulouse and Bordeaux arrived while one to Versailles outside Paris, took 18 days.

Officials said services were back to normal until January.



**James Watson's Ransom**  
12 years old  
A distinctly superior SCOTCH

half-dozen vehicles, including an Apollo spacecraft, about to re-enter the earth's atmosphere.

The meeting here, which has drawn theorists and observers from as far as Poland and South Africa, is the Seventh Texas Symposium on Relativistic Astrophysics.

Short Wavelengths—Gamma rays are the most intense form of electromagnetic radiation, being of even shorter wavelength than X-rays. They cannot penetrate the atmosphere, and those of cosmic origin must be observed from space.

The bursts reach the vicinity of the earth at seemingly random times and from various parts of the sky. They were first detected by U.S. Vela satellites that orbit 70,000 miles above the earth. Speed so that they have the entire planet under observation, the satellites monitor observations of the bursts on nuclear weapons tests.

The bursts have also been noted by satellites in the Cosmos series—apparently Soviet counter-parts of the Vela satellites. Ian Strong of Los Alamos presented data from Cosmos-461 as well as from American satellites.

There is a slight tendency for the bursts to occur in the direction of the Milky Way. None of those pinpointed the toward known stellar explosions or other such phenomena.

Black Hole Candidate—However, in one less precisely located instance, Mr. Strong said, the direction could have been that of Cygnus X-1, which is the leading candidate for a so-called black hole. A black hole is believed to be the residue of a giant star that has burned out its nuclear fuel and collapsed to a density where gravity does not permit light to escape it or pass by it.

The gamma ray bursts have ranged in duration from a tenth of a second to 80 seconds. The longer ones are composed of shorter bursts. For the great energy to be radiated in so short a time, it implies that the radiating object is no larger than the earth, Mr. Strong said.

One novel proposal is that each burst is caused by a speck of cosmic dust plunging toward the earth at close to the speed of light. As it enters the solar system it breaks up into fragments that disintegrate into gamma rays.

Malvin Ruderman of Columbia University explained the nature of the phenomenon. They included comets falling on neutron stars, volcanic eruptions on neutron stars (a Soviet proposal), chunks of anti-matter colliding with stars, nuclear explosions on so-called white dwarfs and flares on a variety of stars.

A neutron star is the collapsed remnant of a star smaller than that presumed to form a black hole. A white dwarf is the remnant of an even smaller star—one comparable to the sun.



A DEAF CHILD LOOKS AT CHRISTMAS—A student at New York's School for the Deaf watching a Christmas play done by teachers and students in sign language.

Cover-Up Jury  
Hears Final  
Defendant

WASHINGTON, Dec. 18 (AP).—Watergate cover-up trial defendant Kenneth Parkinson admitted today that he relayed assurances to the original Watergate burglars that any commitments made to them would be honored.

Mr. Parkinson insisted, however, that he never knew the defendants were being paid cash in exchange for their silence about the involvement of higher-ups in the Watergate incident.

The fifth and final defendant to testify in his own defense, Mr. Parkinson recounted a meeting with former White House counsel John Dean 8d in late September, 1972.

Mr. Parkinson said that he had mentioned to Dean references made to him by Watergate burglar Howard Hunt's lawyer about commitments "to the burglars."

Instructions From Dean—Mr. Parkinson said that his instructions from Dean were to say, "I don't know that any commitments were made. I don't know who might have made any commitments, but if any commitments were made, they'll be honored."

Mr. Parkinson, 47, a private attorney hired by the 1972 Nixon re-election committee, said that he then arranged a meeting with William Britman, who was Hunt's lawyer at the time.

Peking May Put  
Ex-Chief of Army  
Back Into Post

HONG KONG, Dec. 18 (NYT).—Yang Cheng-wu, purged as acting chief of staff of the People's Liberation Army nearly seven years ago, may have been restored to the same post—the top operational command in the Chinese Army—it was learned this week.

The move is seen as part of an effort to reshape the military leadership to make it more responsive to orders issued by the Communist party in the name of its chairman, Mao Tse-tung.

Mr. Yang, 62, who was a general before ranks were formally abolished in China, was publicly rehabilitated last summer. His return to authority was disclosed indirectly, as such shifts in Peking's power structure usually are, when he was listed this month ahead of two of the army's deputy chiefs of staff at a memorial service for a recently deceased member of the party's Central Committee.

The officer who functions as chief of staff has the responsibility of making the army responsive to the party's direction. The sensitivity of the job is indicated by the fact that everyone who has held it in the last 20 years has finally been demoted or purged.

Bonn Law Curbs  
Defense Lawyers

BONN, Dec. 18 (AP).—The West German parliament moved today to undercut the maneuverings of the imprisoned terrorist Rader-Meinhof group by passing measures to curb defense attorneys in criminal proceedings.

Under the new measures, a defense lawyer can be barred if strongly suspected of hindering the proceedings, or misusing his lawyer-client relationship. The measures limit a defendant to three lawyers and each attorney can defend only one client in any given case.

## Setback for Rebozo, Abplanalp

Nixon Loses in Bid to Keep  
Key Biscayne Road Private

By Wayne King

KEY BISCAYNE, Fla., Dec. 18 (NYT).—Richard Nixon, for six years the most powerful person in the most powerful nation on earth, was turned down yesterday by the Dade County Board of Commissioners on a petition to keep tourists off the road in front of his house. The vote was 5 to 3.

The board rejected a petition bearing the names "Richard M. Nixon and wife Patricia R. Nixon," with more than a dozen other signatories, requesting the conversion of the little Key Biscayne street known as Bay Lane from a public to a private drive.

The reason, explained by attorneys for Mr. Nixon and his close friend and neighbor on the street, Charles (Gabe) Rebozo, was that "heavy" thoroughfare traffic is anticipated by virtue of the fact that two houses are owned by the former president of the United States and which have become the objects of curiosity to visitors and tourists.

Mr. Rebozo attended the hearing but did not speak. The rejection of the petition was applauded by many of the 200 operators who, at the meeting of the Dade County commissioners, with 40 newsmen, jammed the commission chamber in the courthouse building in Miami.

The crowd also showed its approval of a remark by Barry Richard, a state representative and attorney representing the Key Biscayne Taxpayers Association, Inc., which opposed making the road private.

"The people of the United States paid over \$1 million for the Nixon compound," Mr. Richard said. "If a few of them want to drive down that road to see what they paid for, they should be able to do it."

Moreover, Mr. Richard contended, there had not been an adequate showing that the closing—which some noted would enhance the value of the property on the street—was necessary.

Arthur Simons, a Key Biscayne resident for 22 years, also argued against private status for the street.

"There are enough people living behind gates and barbed wire," he said, "and the last thing we need is more gates, barriers and armed guards."

Harvey Rubin, one of the commission members who voted against private status for the road, said: "In all respect for Mr. Rebozo, there was an elitist posture to the request—the appearance that the residents on the road expect treatment a normal citizen doesn't have coming to him."

U.S. Extortionists  
Get 10, 20 Years

PORTLAND, Ore., Dec. 18 (AP).—A federal judge Monday sentenced David Heesch to 20 years in prison for a \$1-million extortion plot against the Bonneville Power Administration. His wife, Sheila, received a 10-year sentence.

Heesch, 34, an unemployed truck driver, admitted blasting 11 power-line transmission towers and threatening other explosions unless the BPA paid \$1 million. The BPA, a federal agency that acts as a wholesaler supplying hydroelectric power to public utilities in the Northwest, refused to pay the money.

Judge Robert Belloni of U.S. District Court called the sentences he imposed "appropriate but lengthy." There was no minimum sentence, and the Heesches will be eligible for early parole. Neither had a previous criminal record.

Space Center Director CAPS CANAVERAL, Fla., Dec. 18 (AP).—Lee Scherer, 55, a retired U.S. Navy captain who has been with the National Aeronautics and Space Administration for 14 years, has been named director of the Kennedy Space Center. He succeeds Dr. Kurt Debus, who retired Oct. 9.

## Foreign-Trade Reliance Cited

## Hungary Prepares for Surge of Inflation

VIENNA, Dec. 18 (Reuters).—Hungarians have been warned that retail prices will have to rise as their country's economy comes to terms with inflation.

The Communist party has said that it wants to maintain the rate of economic growth next year and has promised a "modest" increase in living standards. But the party's year-end economic report sounded a gloomy note, forecasting "negative changes in the world economy" over a long period and calling for big efforts to save energy and raw materials.

Hungary is poor in raw materials and the country has found that since last year the cost of the raw materials and energy it imports have risen sharply while the prices of the goods and machinery it exports have failed to keep pace.

All the countries of Eastern Europe are facing the same problems, but whereas the Soviet Union has a largely self-sustaining economy, Hungary relies heavily on foreign trade. Thus inflation bites harder.

Hungary's exports to the capitalist world rose by 22 per cent in the first nine months of this year, but the cost of imports went up by 58 per cent mainly because of rising prices of oil, chemicals and fertilizers.

So far, the government has shielded the shopper by budget subsidies. It claims that consumer prices have risen by only 2 per cent this year.

But government planners say that subsidies cannot be a long-term solution because they encourage waste and inefficiency and contradict the logic of Hungary's successful economic reforms of recent years, which aim at setting realistic prices.

The price of gasoline and other fuels rose sharply in September and industry will pay more for many vital raw materials as of Jan. 1.

Narrow Margin—Retail prices will eventually have to follow suit, although the aim is to keep the increase to 3.5 per cent next year.

The Communist party has pledged that, although luxuries and industrial goods will cost

more, the prices of essential products will be kept down.

Wages are scheduled to go up by about 7 per cent, leaving, in theory, a clear 3.5-per-cent gain in real incomes. But the margin may be narrowed by concealed price rises as cheaper items vanish from the shops, a trend which does not always show up in the statistics.

Economic problems are discussed more openly by the press in Hungary than in other Communist countries. Price rises are made more palatable by announcing them well in advance and combining them with rises in wages and pensions.

Governments in Eastern Europe have not forgotten how a sharp rise in food prices just before Christmas, 1970, led to riots in Poland and the toppling of the Communist party leader, Wladyslaw Gomulka.

Guarded Treatment—But while the Hungarian press freely discusses the problems of trading with the West, the headaches of dealing with the Soviet Union and the other Comecon countries, which account for 60 per cent of Hungary's trade, are treated more guardedly.

Foreign trade prices within Comecon are fixed once every five years on the basis of adjusted world prices. The next revision is due for the beginning of 1976, with the start of new five-year plans.

Hungary is now getting most of its oil from the Soviet Union, at about one-third of the world price, but planners in Budapest are well aware that their economy is in line for a potentially severe jolt when the price of Soviet oil and other raw materials rises in 1976, unless Hungarian manufactured goods rise in price as well.

Two Democrats  
Deny Donations  
Were Improper

WASHINGTON, Dec. 18 (AP).—Two Democratic senators have rejected criticism over their seeking large campaign contributions before a new campaign spending law takes effect.

Sens. Henry Jackson of Washington and Lloyd Bentsen of Texas, both prospective presidential candidates, said they had voluntarily imposed \$5,000 limitations on contributions in 1973 even though there was no legal limit. The maximum contribution allowed after the new spending law takes effect Jan. 1 will be \$1,000.

Georgia Gov. Jimmy Carter, an announced Democratic presidential candidate, accused the senators of violating the spirit of the new law, but acknowledged they were not doing anything illegal.

Sen. Jackson said, "We made our decision... on a limit way back in July before the law became effective. The decision was made then to limit all donations to \$5,000, no more than that."

A statement issued for Sen. Bentsen said he authored an amendment in 1973 that limited contributions to \$5,000 and that he had promptly accepted that figure as his own limit.

Power Transformers  
Bombed Near Geneva

GENEVA, Dec. 18 (Reuters).—Saboteurs blew up two transformers at a power station near Geneva last night, police said. No one was hurt.

The explosion set the power station on fire. Several suburbs of Geneva were blacked out and the authorities appealed to the public to economize on electricity today until supplies were restored.

Un Parfum aux secrètes splendeurs...

**Farouche**

Le nouveau parfum de NINA RICCI



## Vladivostok's Gaps

One stark fact towers above all the other elements in the confusing debate over the nuclear arms agreement reached by President Ford and Mr. Brezhnev at Vladivostok. The new accord would permit each side to build a "first-strike" force of new MIRV multiple-warhead missiles, a minor portion of which could threaten to destroy the bulk of the other's silo-based ICBMs, while the bulk of the attacker's force remained in reserve to deter retaliation. Neither side has such a capability now.

An effort to head off that capability on the Soviet side by a low MIRV missile ceiling—and, presumably, to negotiate a similar limitation of American MIRV forces—was the central thrust of the Nixon-Kissinger Strategic Arms Limitation Talks (SALT-2) with Soviet leaders in March and June. For reasons that are still unclear—and which the Congress urgently should probe—that approach was abandoned by President Ford at Vladivostok, if not before.

The Vladivostok agreement would permit the Soviet Union, starting next year, to replace with new, bigger, more accurate, MIRV-tipped rockets virtually all the ICBMs it is permitted under the 1972 SALT-1 accords—1,320 of its 1,410 silo-based missiles. Before 1985, its present 1,410 warheads would go to an estimated 6,700. With their large size, this is more than three times the number of warheads needed for a "high-confidence" strike at the United States' 1,064 ICBM silos.

The United States, under the Vladivostok agreement, can replace all its first generation Minuteman-3 and Poseidon MIRV missiles—800 of a programmed 1,030 already are deployed—with bigger, more accurate Minuteman-4 and Trident-1 missiles. It plans, in addition, to add 288 larger Trident-2 missiles aboard 12 monster Trident submarines at a cost of almost \$1.5 billion each. With this program—which would replace some 5,000 existing small MIRV warheads (too small for an effective counter-silo attack) with an estimated 11,000 bigger warheads—the joint chiefs of staff reportedly are confident that they could beat the Russians to a "first-strike" capability by two or three years.

A nuclear "Pearl Harbor" with its unforeseeable consequences would not be initiated lightly by either side, of course. But the existence of this capability on both sides during a future crisis—and the enormous advantage it seems to offer for the side that

shoots first—raise possibilities almost too horrendous to contemplate.

Crisis instability—the penultimate danger of the nuclear era, second only to the ultimate horror of an actual nuclear exchange—clearly has been brought closer by the failure at Vladivostok to limit MIRV missiles to low levels.

Secretary Kissinger argues that high vulnerability of silo-based ICBMs would be inevitable anyway by 1985, at the rate missile accuracy is increasing. But his persistent though belated efforts in Moscow last spring to limit MIRV missiles rather than missile accuracy—and his complaints about military resistance on both sides—suggest that he is now trying to make the best of a bad bargain. Without MIRV, an attacker must fire at least two missiles at every opposing silo for high confidence of success, thus disarming himself more than the enemy. With MIRV, the attacker has the edge. One missile carrying six warheads could destroy three enemy ICBMs.

While arguing for retention of silo-based missiles, Secretary of Defense Schlesinger is talking of spending tens of billions of dollars to shift to greater reliance on new bombers and mobile missiles—on land and perhaps aboard aircraft, as well as at sea. The Soviet Union will be unable to ignore this trend. It deploys 1,320 of its new MIRV missiles in increasingly vulnerable silos, it will be under pressure well before 1985 to replace many of them with a second generation of mobile MIRV missiles both on land and at sea.

Logically it should be in the Soviet Union's interest to slow the pace of MIRV deployment on both sides until it develops such mobile MIRV missiles. It clearly is in the joint Soviet and American interest as well to lower the high ceilings of the Vladivostok agreement before they are reached rather than to seek reductions afterward.

A resolution introduced by Sen. Kennedy, Mathias and Mondale calls upon the President to seek these improvements in the Vladivostok agreement and others while the detailed negotiations go forward next year to draft final SALT-2 accords. An effort to achieve such improvements is vital if the Vladivostok agreement is to bring arms control rather than the continued "mad momentum" of the arms race for another decade.

THE NEW YORK TIMES.

## No Gothic for Belgians

There is something reassuring, at a time of cosmic international disasters, about a Belgian town voting on whether to put a Romanesque tower or a Gothic steeple on its restored medieval church. The world may be going down the drain, but in Nivelles, 20 miles south of Brussels, Romanesque versus Gothic is the hot issue.

Sixty-one per cent of the voters came out in cold and rain. After local and imported art experts had debated the choice, the residents opted for Romanesque. The tower, replacing a Gothic spire destroyed in the war, will match the original style of the historic building. A little revisionist architecture, perhaps; but there must be a cer-

tain satisfaction in rearranging history. Politicians try constantly.

Obviously no politician in his right mind would have given a corbel or a crocket for the matter or predicted such a popular referendum. The Belgians perceived something beyond art and esthetics, however; they were voting on the environment. "When given the choice of what kind of environment they want to live in, people respond," said the mayor.

Maybe the vote was as symbolic as the church. You don't have to be an art expert to care about a city; the experts are the people who live there.

THE NEW YORK TIMES.

## International Opinion

### NATO Balancing Act

While Presidents Ford and Giscard d'Estaing in Martinique tried to harmonize American and French positions after so many bilateral meetings for the same purpose, the ministerial meeting of the NATO which ended in Brussels demonstrated once again the difficulty of balancing relations between a superpower and any country of lesser weight. Mr. Kissinger himself acknowledged this. . . . It would be ungracious indeed on the part of European partners to take offense of the dominant role played in NATO debates by Defense Secretary Schlesinger and within the Council by the dynamic personality of Mr. Kissinger, two men who brilliantly embody . . . a certain idea of the U.S. leadership . . . U.S. policy nonetheless on occasion knows how to make itself heeded in Europe by using arguments which reduce discussions among allies to very little. Washington, no doubt, undertook the usual consultations before naming . . . Gen. Haig, who until September was the White House chief of staff after having been Kissinger's right hand. The U.S. partners within NATO voiced objections, which nobody heeded, to the meteoric promotion of a general whom the White House seemed primarily eager to stow away at a safe distance. . . . This nomination is even more questionable since it was resented as a disgrace by Gen. Haig's

predecessor, Gen. Andrew Goodpaster . . . whose record of service is far better than that of Gen. Haig.

—From Le Monde (Paris).

### Security of Europe

The security of Europe depends at the moment on maintaining a balance of power between East and West. This balance depends on a firm American commitment to Europe, and the commitment depends on a sufficient number of American congressmen being persuaded that Europe wishes to maintain a balance of power and is prepared to carry an appropriate burden. Western Europe is still not acting as if it were aware of these simple facts.

The balance of power is necessary not because either side is thinking of launching an all-out attack against the other but primarily because political behavior is influenced by military factors.

A situation in which the Russians knew they could take military action with impunity would gradually alter attitudes on both sides. It would render Western Europe much more vulnerable to pressures and threats and might tempt the Russians to take risks. For instance, if they were trying to put pressure on the Americans in some other part of the world, such as the Middle East, they might threaten Berlin.

—From The Times (London).

## In the International Edition

### Seventy-Five Years Ago

December 19, 1899.

PARIS.—Beginning next year, says the Figaro, the principal entrance to the Palace of the Elisee will be on the Avenue Gabriel, and the guests of the President of the Republic will pass through his gardens before reaching the palace. This change will prevent the usual blockade in the narrow Faubourg Saint-Honore, and give at the same time a magnificent entrance to the Champs-Élysées and Avenue Alexandre III.

### Fifty Years Ago

December 19, 1924.

CHICAGO.—Sears, Roebuck and Co., the largest exclusive mail-order house in the world, has announced plans to branch out into the chain-store field. They will open immediately retail establishments in Chicago, Philadelphia, Dallas and Seattle, which will operate as department stores. They will later branch out into other cities throughout the country, hoping eventually to cover most of the major cities.



"There Isn't Much Zing in His 'Ho! Ho! Ho' This Year."

## Latin America and Arms Curb

By Victor Zorza

WASHINGTON.—Little attention has been paid in the outside world to a remarkable Latin American initiative which may result in the limitation of conventional arms in that area and, perhaps by way of an example, in other parts of the world. The nuclear arms race consumes only a fifth of world arms expenditure. The other 80 per cent goes on conventional arms. The most expensive of these are sold by the industrial world to what it calls the backward countries—much as early Western traders sold rifles to the natives.

Latin America, which has long provided a market for such exports, has seen many unsuccessful arms limitation initiatives in the past. This time, however, the eight members of the Andean Group of countries, including most notably, the mutually hostile regimes of Chile and Peru, have agreed on a pledge to bring about "effective arms limitation." They will, in particular, "put an end" to the purchase of offensive weapons from foreign suppliers.

### Practical Politics

The history of Latin America and of disarmament is littered with high-sounding statements of this kind, but the background of the declaration, issued this month in Lima, is made up of practical politics, not of pious hopes. Most of the previous Latin American disarmament proposals were the result of U.S. prompting, and this doomed them to failure from the start, but the Lima declaration is a genuine home-grown product.

The idea was first broached by President Velasco of Peru at the beginning of this year, and its formal promulgation during the Lima meeting came as something of a surprise to the United States. When Velasco first proposed it, he was replying to foreign criticism of the previous Latin American disarmament proposals were the result of U.S. prompting, and this doomed them to failure from the start, but the Lima declaration is a genuine home-grown product.

His proposal was dismissed as a propaganda effort designed to reduce the impact of the Soviet arms deal. This had so alarmed the new Chile regime that it promptly pressed the United States, with some success, for "balancing" arms supplies. A new arms race was in the making.

The ideological hostility between leftist Peru and rightist Chile has brought a new element of tension to the continent. Latin America has managed to avoid, by and

large, the deep-seated and destructive enmities that feed the arms race elsewhere, between Jew and Arab, between India and Pakistan, or between the two Koreas. A hundred years ago Chilean troops sacked Lima, and the memory lingers, but the only protracted conflict of recent times was a three-year war between Bolivia and Paraguay in the 1830s.

### Avoids Instability

Arms spending has rarely exceeded 3 per cent of the GNP by any of the Latin American countries, compared with 5 per cent for developing countries generally, and nearly 7 per cent for the industrial countries. But Latin America can ill afford even the lower levels of arms spending, and any competition between the United States and the Soviet Union as arms suppliers would bring to the area the kind of instability which now bedevils relations in other regions of the world.

The Peruvian regime was grateful for the Soviet tanks, which the Kremlin eagerly provided on easy terms, but the Velasco regime is far more interested in social reform and economic development than in military splendor. It knows that, to carry out its ambitions, it must limit and if possible reduce the claims of defense on resources that are already inadequate.

In Chile, too, the regime is not unconcerned about economic development, but it is particularly alarmed by the prospect of a gradual accumulation of Soviet weapons in the hands of a potentially hostile neighbor. The Chile regime, internally insecure as its suppression of Allende supporters shows, is clearly anxious to mitigate any external threat, especially if it appears to be Communist-inspired. The Peru regime is certainly not Communist—but the Soviet arms are.

In this way the political interests of both Chile and Peru, however hostile the two regimes may be, require the reduction and, if possible, the termination of the flow of foreign arms to the area. The private conversations between the eight governments in the past year are known to have been as serious as the public propaganda war between Chile and Peru was irresponsibility. Tanks, for instance, have been mentioned as being among the imports to be banned—and that would be a very promising beginning.

Brazil, although the most powerful country on the continent, was not included in the earlier stages because it is not a member of the Andean Group. But Brazil is to be invited to next year's summit meeting in Caracas which

ought to give more practical expression to the Lima declaration. In the meantime, staff talks between the participating countries will attempt to work out the details of the formal agreement to be signed by the heads of state.

### Common Ties

The common culture and history of most Latin American countries, their liberation by Simon Bolivar 150 years ago at the Battle of Ayacucho which forms a passionate and lasting bond between them, the economic links which they have been trying to forge in recent years in an attempt at integration—all these help to promote the arms limitation agreement. The Lima meeting, in fact, was held to commemorate the Battle of Ayacucho. There are other parts of the world, such as West Africa, for instance, where politics and tradition combine with the low intensity of local conflicts and the low level of arms spending to make such agreements possible.

Here it is the arrival of Soviet arms on the scene that has stimulated serious interest in arms limitation efforts. Elsewhere Soviet and U.S. and European arms suppliers are already in serious competition. But one successful example of such arms limitation could do a great deal to show the way. Latin America, once derided as the continent of military coups, could yet prove to be an example for the rest of the world.

This combative mood was al-

## Call for U.S. Energy Policy

By Peter Grose

NEW YORK.—From directors of large corporations as well as the chauffeurs who drive them to their boardrooms comes a common lament these days, that if the United States had any real leadership its citizens would be willing and able to pitch in to solve problems. A year has passed in which everyone has become aware that there is something wrong about the way energy is used in this country, yet the elected officials still find themselves flailing about in a puddle of vagaries without any clear definition of the problem.

Relatedly, and with precious little help from those who were elected to provide leadership, a consensus is forming about the substance of a national energy policy to secure this country's energy needs by 1985. It will be a policy for reducing energy demand, increasing the available supply and phasing out a dangerous dependence—nurtured through a decade of carelessness—on unreliable energy sources and technologies.

Starting from different perspectives and pursuing research independently of each other, three comprehensive energy studies have appeared in the last two months—from the Ford Foundation, the Federal Energy Agency staff and the Committee for Economic Development. The Ford group drew much of its expertise from the liberal academic community, the CED report came from a study group of national business leaders, the FEA drew together the analyses of specialists in different government agencies.

### Diverse Origins

Given the diversity of their origins, it is comforting to find such a wide measure of similarity in analyses and conclusions among these three studies. As a start they agree that the runaway 4.3-per-cent annual growth in energy consumption must—and can—be ended.

CED, more conservative than the others, projects a growth rate of 2.9 per cent; the Ford study proposes more intensive conservation measures to achieve a 1.9-per-cent growth rate by 1985. All three agree that this cutback can be effected without severe hardship or damage to a growing national economy.

The studies prescribe a mixture of government regulation and straightforward economic incentives to bring about the necessary savings. These, of course, are the difficult questions on which there is still disagreement.

## New Deal Replay Seen Ford vs. New Congress

By James Reston

WASHINGTON.—This odd or Waterygate Congress is now breaking up, and the chance is that the 94th, which convenes on Jan. 14, will be more liberal, more spendthrift, more partisan, and increasingly critical of the Ford administration.

It will, for one thing, be much younger than the 93d. The House will have the largest freshman class in over a generation, 75 new Democrats and 17 new Republicans. The Senate will have 11 freshmen, eight Democrats, five Republicans, with a New Hampshire seat still undecided. This transfusion of new blood will almost certainly produce a new and activist spirit on Capitol Hill.

The change is likely to be more marked in the House than in the Senate. As Rep. Frank Thompson, D-N.J., has pointed out, the fall of Chairman Wilbur Mills of the House Ways and Means Committee has tended to obscure much more significant changes in the power and composition of this key tax-writing body.

### Tax Reform

In the first place, membership on the Ways and Means Committee has been increased from 25 to 37 members, and without Mills in the chair, the committee is almost certain to be more responsive to the pressures for tax reform now gathering in the House as a result of the economic recession.

Furthermore, the Democratic caucus has stripped the Ways and Means Committee of its power to assign members to the various committees, and House Speaker Carl Albert has promised that each new member will be given a seat on at least one major committee.

President Ford has promised to have his new economic program on the desks of the Congress on or before opening day and has added that he would communicate, candidly, compromise, and cooperate to the outer limits of his fundamental principles.

But his fundamental principles are much more conservative than the large Democratic majorities he will have to face in the 94th, whose party has been out of the White House since 1968 and is already mobilizing for the presidential election of 1976.

### Stage Being Set

Thus the Democratic stage is being set for a replay of the early New Deal drama. As unemployment rises and the stock market falls, the instinct of the Democrats will be to spend their way out of the mess, and to portray Ford as another Herbert Hoover who will not fight a radical problem with radical measures.

This combative mood was al-

ready visible in the closing days of the old Congress. It took just by Secretary of State Kissinger to Speaker Albert's office this week to persuade the Democratic leaders not to cut off military aid to Turkey. Kissinger at most had to beg for a little more time to try to resolve the Greek Turkish dispute over Cyprus. The gave him until Feb. 5 but warned him that unless genuine progress had been made to settle the Cyprus issue, it would do good for him to request a further delay.

What we are beginning to see here are the reactions to a misuse of presidential power in Vietnam and Waterygate. The Congress is determined to try to regain some of the power it lost or abandoned to the presidents in the postwar generation, to limit the scope of executive privilege, to limit the president's power to make war without the consent of the Congress, and to insist, if possible, that the president spend all funds appropriated by the Congress.

In the five and a half years of Richard Nixon's presidency, the Congress overrode only five of his 26 vetoes. Already in Ford's first four months, Congress has overridden four of his 15 vetoes, three of them in the last couple of weeks. Not since President Eisenhower in the 1950s has Congress rebuked the veto power so sharply.

### A Hard Time

It is, of course, too early to tell how the liberal-conservative factions will shape up on specific legislation such as taxes. The Ways and Means Committee, even with the new members, is still slightly on the conservative side, mainly because of Mills's draftsmanship in the past, but new members like Joe Fisher of Virginia, who replaced Joel Brodyhill, are both knowledgeable and militant, and are likely to give the administration a hard time.

In the Senate there are more presidential candidates than there are ensigns, all of them determined to demonstrate that they can save the republic from economic putrefaction and from Jerry Ford. So while Ford is offering to "communicate, compromise, and cooperate," it is not at all clear that the Democrats will take the same line, even if Democratic leaders like Sen. Mansfield or Speaker Almon urge them to do so.

By the time the 94th meets, the chances are that the President will have revamped his cabinet and moved more strongly against the recession. This should give him some time but not much. The lines are being drawn for a very hard battle over not only economic and foreign policy, but for position in the 1976 campaign.

### Tough Job

None of the three reports leaves any room for doubt that federal government will be required to play a far more active role in organizing and allocating energy supplies than in the past; the days of a free market—if such ever exists—are over.

The incoming director of the new Energy Research and Development Agency, Robert C. Seamans Jr., has warned that balancing this country's energy budget will be a tougher job than putting a man on the moon. The Manhattan Project and Ford's oil did indeed seem relatively simple compared with the national energy challenge, for they were aimed at quite specific technological goals.

The phrase Project Independence may be inaccurate, but it is catchy and manages to evoke those technological feats of the past. Its implementation will have to go far beyond the work already done at the drawing board. Once energy is held at a premium in society, it forces a profound reordering of social and economic values. This is not just another national challenge; it is the beginning of a new ethic in the lives of every citizen.

More and more people are realizing this, and are ready to do it. Maybe some day soon the word will trickle up to the leaders of the United States.





OOFS—Workman riding atop an inadvertently ice-covered chairlift at the Killington, Vt., ski area after someone misdirected a snowmaking machine.

## South Vietnam Banditry Rise Laid in Part to Viet Cong

By George McArthur

SAIGON, Dec. 18.—A few days ago on an isolated road through South Vietnam's Mekong Delta, a civilian bus was stopped at a hastily erected Viet Cong roadblock. The passengers, mostly farm people, were robbed of their money, watches, purses and anything else of value and sent on their way.

In the old days, Communist troops seldom engaged in such thievery. It was the South Vietnamese troops that had the reputation for stealing chickens, among other things.

Now, it seems, banditry is increasing, and perhaps the increase is most noticeable among Communist units because they were relatively free of banditry in the past.

A few days ago, military reports said, a Viet Cong unit entered an isolated village in the province of Vinh Binh, also in the Mekong Delta. They carted off everything of value—radios, household goods, jewelry, whatever they could carry.

"No Doubt"

"They looted the place, there was no other word for it," reported a Western military attaché with first-hand knowledge of the incident. "And there was no doubt that the troops were Viet Cong."

Two British civilians visiting a rubber plantation recently were held for a few hours by a Viet Cong group. Before being freed, they were stripped of watches, money and jewelry.

Two years ago the Viet Cong sharply cut back on ration allowances for some local forces. Both the Viet Cong and government soldiers are underpaid and are feeling the economic pinch. In addition, many observers feel the Viet Cong are not as well-disciplined as in the past. The economic recession also is a major cause of the increasing banditry.

Immediately after the American military withdrawal began about two years ago, some South Vietnamese units on midnight raids looted camps of air conditioners, refrigerators and other goods.

A merchant in Saigon noted that "unofficial taxes" on such things as rice and timber entering the capital have risen sharply in the last few months. "This means that South Vietnamese soldiers—and often the Viet Cong—have increased the levies on the roads. In Vietnamese slang,



Michael Stassinopoulos

## Stassinopoulos Wins Election as Greek President

ATHENS, Dec. 18 (UPI).—Michael Stassinopoulos, who as president of the Council of State defied the military dictatorship, was elected by parliament today as provisional President of the Greek republic.

Immediately after his election, Mr. Stassinopoulos took the oath of office in a ceremony before the house, officiated by Archbishop Seraphim of Greece.

The 71-year-old jurist received 306 votes from the 281 deputies present in a secret ballot. The New Democracy party of Premier Constantine Karamanlis controls 219 of the 300 seats but some deputies were absent and at least six cast blank votes.

According to a bill on the function and authority of the new President, which has to be ratified by parliament, the provisional chief of state will have limited prerogatives.

Mr. Stassinopoulos was fired from the Council of State, which is the constitutional court, in June, 1969, when he refused to condemn the dismissal of senior judges by dictator George Papadopoulos.

## Ex-Legislator Jailed For 4 Years in Japan

TOKYO, Dec. 18 (Reuters).—A 71-year-old former member of the Japanese parliament was sentenced to four years in prison today on charges of fraud and extortion when he was a member of the audit committee of the lower house.

The man, Shoji Tanaka (no relation to former Premier Kakuei Tanaka), was arrested eight years ago on charges of using his position on the audit committee for extortion and fraud. He was acquitted on one of six counts.

## Government Under Strain In Sri Lanka

### Economic Problems Threaten Coalition

By Jacques Leslie

COLOMBO, Dec. 18.—Sri Lanka's worsening economic problems are threatening to split the coalition led by Prime Minister Sirimavo Bandaranaike.

The first public evidence of disension within the coalition was a demonstration called last month by the Lanka Sama Samaja party (LSSP), a Trotskyite minority party in the coalition. When LSSP leaders defied an order by Mrs. Bandaranaike against the demonstration, she imposed a curfew in Colombo.

The episode raised hopes among Mrs. Bandaranaike's rightist opponents that the government is crumbling.

Tension within the coalition, called the United Front, is centered on proposed curbs for the weakening economy. About 900,000 of Sri Lanka's 13.5 million inhabitants are unemployed and inflation is nearly 20 per cent a year. In addition, a drought has hurt this year's rice crop.

The government attributes the economic conditions to external factors, particularly the increase in world prices of oil and food, which are major imports. At the same time, the prices of the island's traditional exports—tea, rubber and coconuts—have either remained stable or have fallen. The result is that prices of exports compared with imports are about 85 per cent of what they were seven years ago.

Incompetence Charged

But it is charged that incompetent management has contributed to the decline. The government is held responsible for not trying to diversify or modernize the traditional plantation economy.

Leftist members of the coalition, including the radical LSSP and some followers of Mrs. Bandaranaike's majority Sri Lanka Freedom party (SLFP), favor firmer economic controls, further nationalization of industries and a greater stress on national self-reliance.

Such ideas are attacked bitterly by the major opposition party, the rightist United National party.

Together with some members of the SLFP, they advocate providing additional incentives for private investment. They argue that the threat of further nationalization must be removed before foreign investment can be attracted.

The fate of the coalition may hinge on which direction Mrs. Bandaranaike chooses. But it still seems unlikely that the LSSP and the Communist party, the other leftist member of the coalition, would break away, if only because they now enjoy power out of proportion to their representation in Parliament.

Mrs. Bandaranaike also faces criticism for having members of her family in key positions throughout the government.

"This is the only place in the world except Haiti where a family can take power as if it were a legacy," a critic said. Mrs. Bandaranaike's husband, a former prime minister, was assassinated in 1959.

Mrs. Bandaranaike's opponents say she is grooming her 20-year-old son, Anura, to be the next prime minister. He recently failed in a bid to be the Freedom party's nominee in a parliamentary by-election. Anura is thought to lean toward the right and, therefore, is viewed with some concern by the minority parties in the coalition.

## Ford Foundation Is Cutting Grants To \$100 Million

NEW YORK, Dec. 18 (NYT).—The Ford Foundation, the wealthiest philanthropic institution in the United States, has announced that it will reduce its annual grants during the next four years from \$208 million to \$100 million.

McGeorge Bundy, the foundation's president, said recently that "important" programs in each of the foundation's six areas of interest "will be put out of business" as a result of the cut, but that the foundation would remain active in each of the fields. The fields are international affairs, national affairs, education and research, humanities and the arts, resources and the environment, and communications.

The foundation's trustees, Mr. Bundy said, have not yet decided on which programs to reduce or eliminate, but all current commitments to grantees, he added, will be honored.

Mr. Bundy had said three months ago that the foundation, squeezed by falling capital markets and mounting inflation, was considering a cut of as much as 50 per cent in its annual grants. However, the decision to impose such a reduction was not made by the foundation's trustees until their quarterly meeting on Thursday and Friday.

## Soviet Weather Satellite

MOSCOW, Dec. 18 (UPI).—The Soviet Union launched a Meteor satellite yesterday to gather data for daily weather information, Tass said today.

## Inmates' Guide Tells Dissidents How to Pass Psychiatric Exams

MOSCOW, Dec. 18 (UPI).—Two Soviet political prisoners have produced a tactical handbook to guide dissidents subject to psychiatric examination. It recommends lying and submission to the authorities.

The typewritten manuscript, titled "Handbook to Psychiatry for Dissidents," is circulating in Moscow and was made available to Western correspondents. It was written in prison by Vladimir Bukovsky and Semyon Gluzman.

"Your fate depends on your ability to be immoral," the book says. "There are no grounds for hope in the conscience of doctors."

Mr. Bukovsky was sentenced in 1972 to 13 years in prison and exile for publicly charging that same persons are put in Soviet mental hospitals. He is now in Vladimir Prison near Moscow. Mr. Gluzman, a psychiatrist from Kiev, was sentenced to 10 years and is in a labor camp in Perm.

Dissident sources said the handbook was smuggled out of the prisons and copies were seized by the KGB secret police in recent searches of Moscow apartments.

It says the best tactic is to say "I wanted to be famous, become well-known. I did not understand the full seriousness of the consequences. I did not realize I had gone too far, and so forth."

"Precisely these unseemly motivations are taken positively at the examination," the authors say.

## Soviet Dissident Being Kept Under Drugs, Wife Asserts

MOSCOW, Dec. 18 (NYT).—The wife of Leonid Plyusch, a Ukrainian dissident mathematician confined to a Soviet mental hospital, has expressed concern that her husband's life may be jeopardized by recent heavy injections of mind-numbing drugs.

In a statement addressed to the chief medical officer of the Ukrainian Ministry of Internal Affairs, Tatyana Plyushch asserted that she had been denied two scheduled visits last week and feared that her husband had become so ill from the large dosage that doctors were afraid to let her see him.

Mrs. Plyushch said that since the end of last month Mr. Plyushch, 34, had been injected with heavy doses of an anti-schizophrenic drug identified as trifluoperazine.

Murder Charge Weighed

She said that if she was not given immediate permission to see him, she intends "to accuse the medical personnel of the Dnepropetrovsk Special Psychiatric Hospital of recklessness and intentionally murdering my husband."

Her statement was circulated among Western newsmen yesterday, accompanied by an appeal from five Soviet dissidents here who called the medical treatments given Mr. Plyushch "as repulsive as a crime as experiments on living people carried out in Hitler's Germany." The dissidents included Yuri Orlov, a physicist, Gregory Podgorsky, a mathematician, and Tatyana Khodorovich, a linguist.

Mr. Plyushch, a mathematician specializing in cybernetics, was an active participant in the dissident human rights movement from 1968 until his arrest in January, 1973. He was given a closed trial on charges of anti-Soviet activity and ordered committed indefinitely to a prison-type mental hospital after a psychiatric board declared him to be suffering from schizophrenia that included "ideas of reform making."

Soviet psychiatrists have denied allegations by dissidents that psychiatry is being used against them. Other prominent dissidents confined to mental hospitals include Gen. Pyotr Grigorenko, who was released this spring after five years in psychiatric institutions, and Yuri Shtekhanovich, a mathematician sent to a mental hospital a year ago.

Money Said Blocked

MOSCOW, Dec. 18 (UPI).—Soviet dissident Andrei Sakharov, the nuclear physicist, said yesterday that the KGB security police are blocking transfers of money from abroad intended for relatives of imprisoned dissidents.

In a statement to Western newsmen, Mr. Sakharov said money sent to the wife of Leningrad writer Vladimir Marazm had failed to arrive. He is imprisoned while under investigation for alleged anti-Soviet agitation.

Mr. Sakharov said that when Mrs. Marazm complained, she was told by Leningrad officials that they would not give the money to persons involved in anti-Soviet activity. They said the unspecified amount of money would probably be confiscated by the state.

## Woman Blinded After Using Pill Wins \$1 Million

SAN JOSE, Calif., Dec. 18 (AP).—Michelle Ahearn, 35, a mother of three who became blind after taking birth-control pills, has been awarded \$1.14 million in damages by a superior court jury. Her husband was awarded \$105,668 in damages.

Both verdicts were directed against Ortho Pharmaceutical Co., manufacturer of Ortho-Novum birth-control pills, and its parent company, Johnson and Johnson. The owner of the pharmacy where Mrs. Ahearn bought the pills also was held liable.

Mrs. Ahearn started taking the pills under doctor's prescription in 1967. She testified that in February, 1968, she experienced severe headaches and the onset of blindness. Doctors said that she became totally blind within three days and that the condition was permanent.

The blindness was caused by clots that blocked the blood supply to the optic nerves, which died because of lack of blood and oxygen, doctors said.

The drug firm maintained that the clots were caused by a streptococcus infection, not the pill. A physician and attorney who represented the Ahearns, argued that the blindness resulted from use of the pill or a combination of the pill and the infection.

## Tito Asks Sacrifices For Sake of Economy

BELGRADE, Dec. 18 (Reuters).—President Tito has called for sacrifices by all to stabilize Yugoslavia's economy, and criticized the distribution of incomes within the country.

Opening the seventh Congress of Yugoslav Trade Unions yesterday, the President, 82, said Yugoslavia's economic weaknesses were characterized by inflation, a payments deficit, undeveloped domestic resources, weak export policy, irrational spending and lack of saving spirit.

## Deaths Notices

ARNAP FLISCH died on Dec. 16th in London. He was born in Budapest, March 15th, 1888. Studied law in Budapest, Vienna, Paris and Oxford. Achieved the status of a great expert in international law. Best known by his book "The Law of Nations." Before the war he was a member of the Board of Directors of I.G. Farben and in later life devoted himself primarily to horticulture and intergenerational problems.

STEFAN FRANKO PRIZEL, journalist, conference interpreter, professor at I.S.T.T. of Paris, 2 Ave. Dode-de-la-France, 166, died Dec. 16th, 1974, aged 70 years. The ceremony will take place at the Crematorium Père Lachaise at 2.30 p.m., Fri., Dec. 20th. This burial (close family only) is the same day at Cemetery d'Antoni (Olse). This will be the only official notification.

## Could Also Supply Fuel, Expert Says

## Water Hyacinth Seen as an Anti-Pollutant

BAY SAINT LOUIS, Miss., Dec. 18 (AP).—The water hyacinth, regarded as a beautiful nuisance in most Southern states, can absorb pollutants from a city's drinking water and provide fuel to heat homes, a biochemist reported this week.

"We can recycle our own wastes with water hyacinths," the biochemist, William Wolverton of the National Space Technology Laboratory, said.

Mr. Wolverton began looking into the water hyacinth's useful properties while most states searched for ways to kill the vegetation, which spreads quickly and clogs waterways.

"Water hyacinths are biologically perfect," Mr. Wolverton said. "They're ideal for sucking pollutants out of the water because they grow so fast and have a nice, big root system."

Cadmium, Nickel

He said research showed that 2.5 acres of hyacinths are capable of removing:

- Every day, about 300 grams of cadmium or nickel, both of which cause cancer.
- Every three days, more than 500 pounds of phenol, also called carbolic acid, a toxic chemical derived from coal tar.
- Every year, the nitrogen and phosphate from the human waste of 800 to 1,000 persons.

"Nitrogen and phosphates have

been the big problem for city sewage-treatment plants," Mr. Wolverton said. "But the hyacinths just eat them right up and grow faster."

There is a limit to the amount of metal a plant can absorb. After plants reach a saturation point, they would be harvested and new hyacinths quickly would

take their place, the researchers said.

The big stumbling block was what to do with harvested hyacinths. The researchers found they could seal hyacinths in fermentation chambers and let them produce "bio-gas," which can be burned like natural gas.

"Bio-gas is really marsh gas," Mr. Wolverton said. "But it's quite similar to natural gas. Natural gas is about 80 percent methane while bio-gas is only 65 percent methane, so it doesn't produce quite as much heat."

Two and one-half acres of hyacinths are capable of producing 2.5 million cubic feet of bio-gas a year, with frequent harvesting of the plants, Mr. Wolverton said.

City Coolcraft

The laboratory has a water-purification contract with the city of Bay Saint Louis and Mr. Wolverton hopes that the system can be operated efficiently.

He plans to use part of a 60-acre lagoon to grow hyacinths, then try to convert them into gas.

"We're working on a system to pipe the gas right back into the city and use it like natural gas," he said. "The technology is already there—it's just a question of bringing it all together."

## Australian Fires Rage

SYDNEY, Dec. 18 (AP).—Army troops and bulldozers today reinforced volunteers in southeastern Australia to battle bush fires that have already destroyed an estimated 1,000 square miles.

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## Questions Raised on Benefits of Aswan Dam

By David Michelson

CAIRO, Dec. 18 (AP).—After years of silence, Egypt's political leaders have begun asking tough questions about the Aswan High Dam that touch on virtually every aspect of Egyptian life.

"Have we benefited fully from the dam? I say no," People's Assembly Speaker Sayed Marei declared in a recent interview. "Have we benefited fully from the land reclaimed as we should have? I say partly, but not fully."

Mr. Marei's comments, published in a mass-circulation weekly, signaled the opening of a debate on questions that have been looming here since Egypt and the Russians began building the vast Nile River earthwork 15 years ago.

Both the cabinet and the People's Assembly are now said to

be closely studying the dam's successes and failures.

The open debate follows recognition first by scientists and then by government officials that the High Dam is a mixed blessing.

### Power Shortfall

Electric power company officials now freely admit that the dam's hydroelectric output falls short of its goal and that, even when all 12 turbines are in use, the dam will never produce 10 billion kilowatt hours of power a year, as Egypt has long said it would. Last year it produced only 3.8 billion kwh, and half of the output was immediately consumed by a giant fertilizer plant.

Despite an ambitious start on irrigation projects designed to use the waters behind the dam, many projects are now being written off as failures. Some experts even say that Egypt has suffered a net loss in arable land during the last 10 years instead of a 15-per-cent gain.

Mohammed Kasseas, one of Egypt's leading ecologists and river experts, other Egyptian scientists and dozens from other countries have been recording and analyzing the numerous and often costly side effects of the dam for years.

Many of the dam's deleterious effects are known. One was that it ended Egypt's Mediterranean fishing industry. Another was that it spawned an increase in bilharzia, the small-carried disease which damages blood vessels and tissues, with consequent blood loss in man and beasts. But despite such setbacks, Mr. Kasseas and other scientists refuse to call the High Dam a "disaster" or even a "bad idea."

Political recognition at Mr. Marei's level — he is a relative and close associate of President

Anwar Sadat as well as an expert agronomist—could mean that the door to Egypt's first complete evaluation of the dam is finally opening.

Up to now, any criticism of the High Dam was tantamount to vilifying the 1952 revolution, Arab Socialism, Egyptian-Soviet relations and the late President Gamal Abdel Nasser.

The fear of speaking out has decreased but it has not disappeared. A well-to-do farmer, who claims that the dam has cut his crop output by 80 to 85 per cent, refused to be identified by name or even by the crop he grows for fear of political reprisals.

Some of the dam's defenders continue to see criticism as a political issue. "All those who criticized the project did so because they attacked all that was established under the slogan of socialism and especially any project which the Soviet Union participated in," a writer said in a leftist magazine.

The dam's first critics—scientists—said that it would rob Egypt of the 50 million-ton supply of fertile silt dropped annually by Nile floods. It has. They said the Mediterranean coastline—once delicately balanced between silt buildups and the corrosive waves of the Mediterranean—would erode unabated and even engulf some villages. It has.

Unclean Waters They also warned that there would be a significant increase in diseases that flourish in stagnant waters. Blocked at its two mouths, Damietta and Rosetta, the Nile no longer "flushes clean" with the flood.

An increase in algae and algae-carried bacteria, coupled with huge new weed growths, which clogged intake valves this fall, turned Cairo's drinking water to a foul-tasting and foul-smelling green liquid.

Ten government agencies are now at work on studies of the dam's impact. Under way are projects such as the construction of six new barrages—the so-called "Nile Cascade"—to ease the corrosive force of the silt-free river

on bridges and riverbanks and an impressive start to a new fishing industry in Lake Nasser, the second largest man-made lake in the world.

A five-year U.S.-Egyptian study, to be funded by the Environmental Protection Agency and the Ford Foundation, is the brainchild of an Egyptian-American scientist at the University of Michigan, Khalil Maney. It aims at providing, among other things, a computerized data bank to help officials spot problems and head them off before it's too late.

Of the High Dam's three primary goals—hydroelectric power, reclamation of 1.3 million acres of land and ending the devastating Nile floods—only the last is a clear success.

Export Crops Saved The flood of 1972-73 was one of the lowest in this century and, without the dam, "Egypt would have dried up," an expert said. He declared that because the dam provided Egypt with all the water it needed, two of the nation's major export crops, rice and cotton, were saved.

Despite the shortfall in electricity production, the dam is directly responsible for quadrupling Egypt's per-capita power use and for electrifying scores of rural villages.

But under government rules, no more water can pass over the dam than can be used in irrigation. Reduced irrigation projects in winter will thus curb hydroelectric production and some observers predict a confrontation between industry and power officials on one side and irrigation officials on the other.

More worrisome to most officials is the apparent loss of arable land—a serious trend for a country that is 97 per cent wasteland and has a soaring population growth.

Salt Damage Faulty drainage plans in the reclamation project, according to a UNESCO report, produced in some areas a water table rise of as much as four meters a year. That means that saline waste water is beginning to drip back into irrigation ditches, devastating the crops it touches.

Although the government has embarked on a multimillion-dollar drainage program, some lands have already been lost, according to experts.

Brookmans, deprived of an annual supply of Nile silt, are digging up fertile farmlands and baking bricks with dirt that can never be replaced. Environmentalists say the government should put an end to the mud-brick industry and that it should tightly control urban expansion.

But like the demand for power 15 years ago, Egypt's housing and population problem now draws more attention than the ecologists' concerns.



Carlo Maria Giulini conducts Orchestre de Paris in Beethoven's "Missa Solemnis."

## Scaling Beethoven's Mountain

By David Stevens

PARIS, Dec. 18 (UPI).—The Orchestre de Paris is celebrating its 25th anniversary this year with a musical program of dimensions appropriate to the occasion, beginning last month with a single performance of Beethoven's Requiem, with the forces of the Paris Opera, in the place where it was first performed in 1837.

Last night in the same place—the church of Saint-Louis-des-Invalides—the series continued with another monument of sacred music, Beethoven's "Missa Solemnis," with Carlo Maria Giulini conducting the Orchestre de Paris, the New Philharmonia Chorus and a first-class quartet of vocal soloists.

Quite aside from historical reasons for performing music here, this church, with its dusty empty pews from wars old and new, seems to be an excellent setting for music—warm enough for chamber music but not so resonant as to hopelessly mangle the heavy contrapuntal going.

Other performances of last night's program will be given this week in the dry expanses of the Palais des Congrès and in the comparatively small and live Théâtre des Champs-Élysées, and the acoustical comparison would be edifying.

Except for some soloists, last night's musical forces are the same ones that performed the

### MUSIC

"Missa Solemnis" last year in the outdoor Roman theater at Orange. That vast and profane site is just as well suited to the work as any church. The "Missa Solemnis" is to the classical mass as, say, the "Hammerklavier" is to the customary piano sonata, which is to say always a little beyond reach of even the boldest attempt to encompass it, and a work whose content shatters the form into which it is poured.

The work is like a vast mountain, with its peak in the clouds, that cannot be seen whole. If a Beethovenist stores it or a Karajan approaches it with unruffled musical generalship, Giulini seems to make his way up the slopes with equal parts of fiery exhortation, visionary inspiration and deeply felt introspection, as befits a creation that is, by turns, religious, humanist and personal.

It was a performance of many beauties, and if yet again the whole seemed less than the sum of its parts, it was in part because the orchestra was not as sharp as it might have been in its responses. The English chorus, now directed by Walter Hagen-Greif, is still one of the finest instruments of its kind, although perhaps not as finely honed as

it was under the late Wilhelm Furtwängler.

It would be hard to recruit a choir or better-matched set of soloists. Edna Moser's soprano, while not quite heroic, rode easily over or through the masses of sobriety, and mezzo Josephine Veasey, tenor Peter Schreier and bass Franz Crass all brought simple power, warmth and sensitivity to their music and texts.

At its previous series of concerts, the Paris orchestra joined in the French-Russian unity mode prevalent in the capital, playing with alert enthusiasm under and for Yevgeny Svetlanov, who at 37 is one of the leading Soviet conductors.

It was easy to see why, for Svetlanov—on the record of this Paris appearance—proved to be a master orchestral technician and no mean showman. He took the orchestra through an exhilarating account of Prokofiev's "Sinfonia" Symphony with all the precision and finesse of a dancing master and concluded the program with a downright evangelist delivery of Scriabin's bigger-than-life Second Symphony.

The concert was in memory of David Oistrakh, who was to have been the violin soloist. In his stead, Christian Ferras, mounted the hurdles of Prokofiev's First Concerto with his customary elegance and refined tone.

### SHOPPING

## Indian Bazaar Brightens Paris Street

By Hebe Dorsey

PARIS, Dec. 18 (UPI).—The Rue de Berri, a normally gray business street, just off the Champs-Élysées, has acquired some color with India-Napal. Opened earlier this month, at 24 Rue de Berri, the shop is a large rambling bazaar, with two big windows on the street. Owned by Pahliaj Hathiramani, it features a cross-section of Indian goods, at prices, which, so far, are quite reasonable.

The reason for the low prices, the Indian dressmaker Indira Gopalas Bhat explained, is that Mr. Hathiramani is also a wholesaler and has a wide network of showrooms, including one in The Hague and one in New York.

A tour through the shop is almost a trip to India.

"There's practically no area of India we've left unmoved," Miss Gopalas Bhat said. "We've also tapped Tibet and Nepal."

### Biggest Attraction

Although there is a wide variety of articles, the biggest attractions are the household items such as brassware, tablecloths and rugs. At the far end of the shop, the walls are solid with colorful batik, dyed patchwork and printed cotton bedspreads that can also be used as tablecloths. Besides the usual, classic paisley, there is a full-blown daisy that comes in brilliant orange, raspberry and purple. All the bedspreads go for the washing machine. Prices vary from 60 francs for a single bed and 90 for a double.

The patchwork quilts lack the subtlety and rhythm of the American equivalent but they are only 366 francs.

The cheapest item in the store is a hand-carved coaster (6 francs) and the most expensive a huge carved wood panel that costs 35,000 francs.

In between, there is a vast array arranged by type. At the wood counter are rosewood book ends (35 francs), tobacco jars with an 18-inch high one (123 francs), and Koran stands or book stands (36 francs).

Hand-painted boxes come high (750 francs for a large one) but are so beautiful that they are almost all gone. The straw section is more rustic but the shapes are simple and effective. "We've been supplying Pauchon who uses them as candy or fruit containers," said Miss Gopalas Bhat.

### Brass Objects

Hand-hammered brass from Jhansi includes a tiny water jar, lampshades (80 francs), and a cheese grater shaped like a torii. Some of the best items are of brushed brass made into square or oval boxes.

Box collectors can break the bank with marble boxes, inlaid with jade, carnelian and mother-of-pearl. Made in Mogul, they cost around 1,200 francs. Papier-mâché boxes are just as attractive, though, and cost a lot less (60 francs for an egg-shaped one). Still in the papier-mâché section, Miss Gopalas offered pretty trays (60 francs) and little decorative ducks (180 francs).

The jewelry is a mixture of old Tibetan pieces and more modern and flashy necklaces, rings and bangles. Among the best items, the simple, very thin buffalo horn bangles at 18 francs apiece.

The Christmas counter is well stocked with gold and black shawls and rich heavy brocade saris (1,800 francs). Don't miss the mobile at the entrance of the shop. It has a good choice of Christmas ornaments, that range from gold bells, taken from Indian bridal dresses, to hand-embroidered Christmas stars, of gold or silver sequins, as well as a sizable mass of tiny cut mirrors stuck on lacquer.

## Japanese Art Accidentally Slashed

By Judith Cummings

NEW YORK, Dec. 18 (NYT).—The apparently accidental mutilation of a sacred Japanese art work while it was clearing customs inspection at Kennedy International Airport has "locked" the Japanese trustees and briefly jeopardized the opening of a showing of their collection of religious art here.

The collection of traditional Japanese art forms, arriving here from Brussels for exhibition at the cathedral church of St. John the Divine, belongs to the Omoto Foundation, universalist religious community with 300,000 followers in Japan.

One of four panels of a rice-paper screen, created by one of the early adherents of the sect, was ripped open Monday by a delivery-truck driver who "thought it was wrapping paper," according to Kyotaro Deguchi, a representative of the community here to prepare for the opening of the exhibition on March 14.

"I was paralyzed completely," Mr. Deguchi said of his shock at discovering the damage. "I said, 'You didn't open it, you broke it,'" he added.

The Rev. Richard Mann, director of exhibitions at St. John, equated the significance of the screen—a landscape drawn in black ink on rice paper—to "the relic of a saint." The do-

trine of the Omoto regards the creation of art as a form of meditation, a spiritual experience.

Mr. Deguchi said he was summoned to Kennedy Airport, on Monday to unlock for inspection some luggage that had arrived with the crate art pieces. When he reached the truck-loading platform, he said, the crate containing the screen had been torn open and the 6-by-3-foot panel tipped with a 6-inch-wide slash nearly its entire length.

With the help of an American friend, Mr. Deguchi said, he questioned the truck driver, who told him he had been ordered by customs officers to open the crate for inspection.

According to the Japanese representatives and Father Mann, the damage was marked "Art work—handle with care—very fragile," and had a bolted front for removing the cover without forcibly prying it off.

A spokesman for the customs service who was asked about the incident yesterday asserted the responsibility for any damage incurred rested with the forwarding agent. "Well-established customs

law says they open the crate," he said. "They should not have allowed their driver to use a knife."

Dr. Frederick Frank, an author of two books on Oriental religions who helped arrange for the exhibition to come to the United States, said the incident had shaken the Omoto representatives that they considered at one point withdrawing the collection. Plans for the month-long exhibition of traditional ceramics, scrolls, tea services and screens, which has been shown in Paris, Rotterdam, Ghent and the Victoria and Albert Museum in London, included a scheduled visit by 4,000 members of the sect from Japan, he said.

The Japanese and their American hosts are attempting to make arrangements with the Metropolitan Museum of Art to see if the screen can be restored by experts on the museum's staff.

Mr. Deguchi said they would have to contact officials of the religious group's headquarters in Kamakura, Japan, for instructions.

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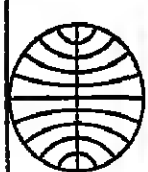
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### Entertainment in New York

NEW YORK, Dec. 18 (UPI).—This is how critics for the New York Times rate new stage productions: "The Old Ones," by Arnold Wesker, has been given a New York setting. It was first produced

ed at the Royal Court Theatre in London in 1972. "It struck me [then] that this chronicle, or string of vignettes, concerned with a Jewish immigrant family in London's East End, was attractive and honest," Clive Barnes says. But its relevance to New York is also interesting, for Wesker's play, with its Jews and "feds" would just as well have found itself on New York's lower East Side.

The play has no real story as such, but builds up a comprehensive view of the family and their friends through a series of short scenes. The three principal roles are played by Lou Gilbert, Norman Rose and Teresa Hughes. Barnes feels the play tends to be somewhat "wordy" but has "qualities of warmth and insight that are nowadays quite rare in conventional, realistic plays." Ben Rih "small directed."

"Enter a Free Man," Tom Stoppard's first play, was staged in London's West End following the acclaim of his later work, "Rosencrantz and Guildenstern Are Dead." It is now being seen in the United States for the first time. "Enter a Free Man" is understandably more conventional than Stoppard's later work, though says Clive Barnes, "there is always that wild streak out at the audience and the tongue of a friendly serpent, and there is also the sheer extravagance of viewpoint that marks Stoppard out as an original." George Kelly, a witty inventor, and his wife have a rebellious daughter. His wife has sacrificed her life to his mad schemes because she feels her husband's "different" approach to life is important. George's life is lived on two weekends.

**Reverse Strike in Italy** ROME, Dec. 18 (UPI).—Rome is going to get a reverse strike. Museum workers said today that they will waive their weekly day off to keep museums open on Sundays. They called it a "reverse strike" and are staging it to attract attention to staff shortages which would otherwise force a number of museums to close on weekends.

**Abounds on Ibiza** IBIZA, Spain, Dec. 18 (UPI).—Unseasonal weather has caused almond trees on this Mediterranean island to blossom months earlier than normal. Farmers are worrying about the early blossoms because no rain has fallen in four months.

### Something special from Rome.

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**MC Takes  
4-Million  
Loss in Year****Much Is Said Due  
Special Items**

DON, Dec. 18 (AP-DJ).—Leyland Motor Corp. reported a net loss for the year ended Sept. 30 of \$23.9 million, the first since the company was formed in 1968.

The loss was due to special items, including the 1974 results. Lord, however, had little to say about the loss, which was disclosed early in the year.

The company's 1974 net loss was sharply higher than the 1973 net loss of \$2.7 million, but much of the loss was due to special

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**FINANCIAL NEWS AND NOTES****More U.S. Auto Output Cuts Seen**

Chrysler Corp. may close two U.S. assembly plants for three weeks each in January and will make additional cuts in its white-collar work force next month, industry sources say. Meanwhile, Ford Motor Co. is expected to cut its January production by about half the year-earlier level, sources say.

Leonard Woodcock, United Auto Workers union president, says Ford's plans for output cuts extend even further into the first quarter. He says the auto maker told him that by March those cuts will have added up to a temporary loss of about 200,000 workers.

Chrysler and its suppliers. In another report, General Motors says it will build about 819,000 cars in its U.S. plants during the 1975 first quarter, or about the same number as a year earlier.

**Gt. Western United Suits Dropped**

Great Western United Corp. and the Hunt brothers, who are making a tender offer for the company's shares, have agreed to drop lawsuits against each other. Great Western says that, in connection with the out-of-court settlement of the litigation, at least five of its eight current directors will resign after the company declares a previously announced common stock dividend of \$2.25 a share.

The company says the resigning directors include its chairman, R. J. Adelstein, and its president, James Krepplinger. The directors remaining in office will be joined by an equal number of persons to be chosen by the company.

At 'Mickey Mouse' Meeting in Cologne Stadium

Bankers Salvage Their Honor on Herstatt

By Joe Alex Morris Jr.

COLOGNE, Dec. 18 (AP)—At first glance, the world of big banking and six-day bicycle racing might appear to have little in common.

For some fourteen hours yesterday they shared the same location, the same yogurt and Afta-Cola ads, although not at the same time. Hundreds of bankers and thousands of Herstatt Bank depositors met in the sports arena here to attempt a final solution to the biggest bank crash in post-war German history.

The "little people" were put in the spectators' rows. Separated from them by the steeply pitched bicycle track, the bankers were seated in mid-court, so to speak, somewhat below the platform occupied by the condensation board.

The bankers and lawyers representing institutions were very much the gray-damned suit crowd. The public included obviously well-off bourgeois, but there were also Greek and Italian *Gastarbeiter*, or foreign workers.

The issue before the public was an out-of-court settlement for the 15,000 depositors who are still victims of the Herstatt crash last June. Hans Gerling, the main Herstatt owner and boss of an insurance empire, had offered to sell off the controlling interest in

the insurance business as part of the effort to compensate Herstatt depositors.

Conditional Offer

But Mr. Gerling laid down one major condition: 85 per cent of the little people and 85 per cent of the banks and public institutions involved had to agree beforehand not to bring legal claims against him later. All of them were invited here, where the six-day bike races open up the day after Christmas, to give their views and cast their votes.

It was a rare and revealing occasion, particularly in a country like Germany, where people tend to cover their emotions and play their cards close to their chest.

And the stakes were high: If the attempt at a settlement fell through, it meant the whole Herstatt affair would go to bankruptcy court. The depositors would probably end up with less compensation and would get it much later. Beyond that, it could bring about the collapse of Mr. Gerling's empire, the third-largest in Germany.

A Door Man

All of this was stressed by Judge Wilhelm Thibbe, the man who has led the effort for the past five months to patch together an out-of-court settlement. His voice frequently rising to a pitch more suitable to the six-day bike races, he appealed urgently for a "yes" vote, warning that Mr. Gerling, a door man who appears never to have smiled, would otherwise withdraw his pledge.

Throughout the day, Herstatt depositors knooped to special voting booths beside the main hall. Then the computer broke down, so the tally was delayed.

When it came, 75 per cent voted to accept Mr. Gerling's offer—10 per cent short of the 85 per cent the insurance magnate demanded. Least enthusiastic were the German banks, who will be compensated under the plan only to 45 per cent of their deposits, and there were cries of "ful, ful!" from the gallery, as the details were made known.

The foreign banks, which will be better protected and consequently voted more heavily for the settlement, were actually applauded. "It is true that the foreign banks are showing greater solidarity and responsibility than some others," said Herbert Heide, the chief negotiator for the depositors. From the audience came angry cries of "Vultures."

The question then was, what next? Mr. Gerling's man on the floor appealed for more time to try to collar further support for the settlement. Judge Thibbe reluctantly agreed.

Anonymous Bankers

So another hour was doled for efforts to save the settlement. And the public took over the floor. One man accused the banks of speculation and playing poker; a woman demanded the bank representatives who voted against the settlement to stand up and identify themselves. None did.

Shortly afterward, the real black comedy broke out. Attorneys for several banks took the microphone to protest that their clients had been awarded too many voting rights. After much confusion, the court seated them down. Others, for reasons best known to themselves, asked that voting rights be eliminated for their clients.

In the end, after not one additional hour but three, the commitment by the German banks was boosted to a figure acceptable to Mr. Gerling. German honor and the esteem of its banking and insurance industries were saved.

Or were they? The Mickey Mouse nature of the proceedings brought credit upon no one. But it showed that the gap between the high camp of six-day bike races and the black comedy of banking need not be very large after all.

© Los Angeles Times.

brothers Nelson Bunker and William Herbert Hunt. Great Western says that about 617,000 of its shares have been tendered under the offer by the Hunts, who are seeking to purchase a total of 810,000 shares at \$27.50 each.

**Russia to Get Japanese Steel**

Daido Steel Co. and four other Japanese steel-makers have agreed to export 15,000 metric tons of specialty steel, valued at \$1 billion yen (\$8 million) to the Soviet Union for delivery by March 31. The five firms have also agreed to supply 10,000 tons of specialty steel to the Soviet Union for delivery by June 30, officials say. The export price of the contract is still to be determined. The four other firms are Aichi Steel, Mitsubishi Steel, Sanjo Special Steel, and Tokai Steel. Meanwhile, Sanjo Special Steel says it has signed another contract to independently provide the Soviet Union with 12,000 tons of seamless pipe between April and September.

**VW, Others Bid for Chilean Plant**

The Brazilian subsidiary of Volkswagenwerk of West Germany is among bidders interested in building an automobile plant in Chile, company officials report. Officials of General Motors Corp., Daimler-Benz, Toyota Motor, Ford Motor and Chrysler of Brazil also confirmed they made bids. Sources say the Volkswagen bid includes a "mounting factory," such as the one in Peru, where vehicles with 60 percent of Brazilian equipment and 40 per cent of Peruvian equipment are mounted.

**Worse Inflation, Joblessness Seen for '75 in OECD Study**

(Continued from Page 1)

main part; but now it is the rise in wages which is maintaining the inflation at much the same high rate.

Controls Suggested

Once again, the economists urged governments to try "some sort of price and incomes policy." Acknowledging that earlier efforts have not succeeded, they suggest that current conditions are possibly "more propitious than before."

Adding to the gloom of this report is the recalcitrant decision to base its forecast "strictly on the basis of policies as at present known," thus doing away with the optimistic bias usually to be found in estimates and assumptions provided by government officials.

No Collapse Likely

Stephen Morris, director of economic studies, said the problem was not one of possible collapse from the piling up of billions of dollars worth of debt but rather of how the current uneven distribution of deficits in the industrialized nations could be repositioned more equitably.

However, "Italy and Britain are taking more than their share" of the burden in the form of excessively large balance-of-payments deficits. If this is not corrected soon, he warned, "no recycling plan will work" because confidence will have been undermined.

Large U.S. Deficit

The OECD report stated that "although the outlook is for some reduction of the more extreme positions, the distribution is expected to remain rather uneven: Italy, the United Kingdom and France are all likely to improve their positions, but a current deficit of the order of \$5 billion (annual rate) is still forecast for each of them in the second half of next year... The United States may run a large deficit in 1975 of about \$7.5 billion."

Japan, whose trade balance is already in surplus, may have eliminated its payments deficit by next year while West Germany's surplus may fall substantially from the record high of this year but still remain in the black in 1975.

With the major economies all depressed, the outlook is for "extremely weak world trade" from now to the end of next year, the OECD said. Only exports to the oil-producing states are likely to remain buoyant and export volumes are forecast to increase by 4 per cent next year after gaining 9 per cent this year.

U.S. Personal Income Drops by \$2.2 Billion

WASHINGTON, Dec. 18 (AP-DJ).—Personal income of U.S. workers fell \$2.2 billion, or 0.2 per cent, in November as effects of layoffs and the coal strike hit payrolls.

The Commerce Department reported that personal income last month declined to a seasonally-adjusted annual rate of \$118.3 billion from \$118.5 billion in October, when income rose \$7 billion, or 0.6 per cent.

GRAIN FOR SALE  
BY IOWA, U.S.A., FARMERS

Three American cash grain farmers from Benton County, Iowa, U.S.A., will be in Marbella, Spain, January 6-11, 1975, and wish to export direct from their farms export sales and delivery of their substantial annual production of consistent top quality U.S. No. 1 yellow soybeans and U.S. No. 1 and No. 2 corn. If you are a financially sound brokerage firm or processor capable of supplying impeccable business references upon request, and if you are interested in direct sales discussions with Iowa, U.S.A., farmers, then we want to talk with you.

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Iowa 52525, U.S.A.  
(or after Jan. 1st, 1975)  
Fred Strawn  
Hotel Melia Don Pepe,  
Marbella, Spain  
Tel.: 82-8978. Telex: 77085.

**As Alternative to Kissinger's Recycling Plan****World 'Mutual Fund' for Oil Money Urged**

By Philip Greer

NEW YORK, Dec. 18 (WP).—A world mutual fund designed to ease the economic pressures of the energy crisis has been proposed by five international economic experts and gained favorable attention from President Ford and Vice-President-designate Nelson Rockefeller.

Under the plan, oil-exporting nations would be invited to put money into investment companies which would then re-invest the capital in both private industry and government securities in countries hard-hit by climbing oil prices.

Income from the investments would flow to the investing countries in much the same way that holders of mutual fund shares receive dividends and capital gains.

The fund, which would draw its capital from oil-producing countries and channel it through investment to oil-consuming nations, is outlined in the current issue of *Foreign Affairs Quarterly*.

The authors, all internationally known economic experts, are former U.S. Treasury Under Secretary Robert Roosa; Carroll Wilson, Miami professor in problems of contemporary technology at Massachusetts Institute of Technology; Khodadad Farmanfarmaian, chairman of the Industrial Development Bank of Iran; Armin Gutwirth, professor of economics and development, University of Frankfurt-am-Main; and Saburo Okita, president of the Overseas Economic Cooperation Fund and chairman of the Japan Economic Research Council.

In outline, investment in the fund would be open only to governments of oil-producing nations that are members of the Organization of Petroleum Exporting Countries (OPEC). It would tap

the estimated \$600 billion that is expected to flow into those countries between 1975 and 1979.

According to its authors, the plan would replace the fund proposed last month by U.S. Secretary of State Henry Kissinger and by Treasury Secretary William Simon. That plan would

have the major oil-consuming nations, especially the United States and West Germany, establish a \$25-billion fund to assist countries unable to pay for OPEC oil.

The Kissinger-Simon plan, Mr. Roosa says in the article, is "heroic but vague" because some countries need for assistance is too immediate, because it employs a brinkmanship approach (the effort to crack the united OPEC price front) that "is simply not a workable approach" and because solving the energy crisis "almost certainly requires major new methods and institutions" which "cannot be created overnight."

To keep the funds flowing and maintain the worldwide economic growth needed to continue paying for OPEC oil, the article suggests an OPEC mutual investment trust to make investments in private businesses in consuming countries and an "OPEC fund for government securities" to assist governments whose balance-of-payments accounts are suffering from the need to meet oil payments.

To satisfy the OPEC countries, the authors say, the funds could be widely diversified, possibly through creation of several trusts. Share ownership would minimize the chances of nationalization, and exposure to sharp changes in exchange rates would be minimized.

If the fund is established, the authors say, "preliminary inquiries" among investment bankers indicate "acceptable investment outlets" for about \$10 billion in its first year of operation.

The idea for the fund originated with Prof. Wilson, who kept the vice-president-designate informed of the group's progress.

On Dec. 10, Mr. Rockefeller arranged to have the plan presented to President Ford and his key energy advisers, including new Federal Energy Administrator Frank Earl.

The President, it was learned, expressed an interest in the idea, but wanted more information on how it differs from the Kissinger-Simon proposal.

In addition, it was learned that Mr. Roosa, now a partner in the Brown Brothers Harriman investment banking house, has also received favorable reaction from one of the major Arab oil-producing nations.

A Correction

Citicorp International Bank Ltd. notes that managers Jerome Goldstein and Gary Eluet are based in London. The IET incorrectly reported Dec. 14 that they would be based in Brussels as a result of having been named directors of Citicorp International Securities SA.

Company Report

AT AND T

Nov. 30 Quarter

Revenue (millions): 6,676.76  
Profit (millions): 803.4  
Per Share: 1.33  
Year to Nov. 30  
Revenue (millions): 26,011.02  
Profit (millions): 3,301.02  
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Dow Up 6 in Active Trading  
As Stocks Rise for 2d Day

NEW YORK, Dec. 18 (IHT).—Shrugging off a preponderance of bad economic news, New York Stock Exchange prices staged their second straight impressive performance and closed higher in fairly active trading today.

The Dow Jones industrial average ended up 5.35 points to 803.49, closing over the 600-level for the first time since Dec. 2, when it finished at 600. The Dow was up 8.22 at 8 o'clock.

Gainers outnumbered losers by about 75 to 50. Volume quickened to 18.05 million shares from 16.38 million yesterday.

Stocks started off with an initial burst into the plus column with the Dow average rising steadily in the early going. The gain leveled in mid-session and continued on the same plateau until near the close, when some of the gains were trimmed a bit.

Analysts generally attributed the market's advance to mostly "technical" factors such as short covering and end-of-year portfolio adjusting by institutions as they switch to the so-called blue-chip issues from the depressed ones.

Chemical, copper, drug, machinery, tobacco, savings and loan and building material stocks generally gained ground as did

some oil, computer and steel issues.

Occidental Petroleum rose 1/4 to 12 1/4. It said it is selling a big chunk of its European retail marketing business to a French concern.

Among actively traded stocks, Esso Petroleum rose 1/4 to 7 1/4. A 190,000-share block changed hands at 7. CFC International rose 1 1/8 to 33 7/8. A 145,800 share block traded at 33 5/8.

The American Stock Exchange index closed up 0.28 to 60.21.

Most active was Champion Home Builders, which rose 1/4 to 2 1/4 on volume of 90,000 shares.

Also active were Westgate Petroleum up 3/8 to 4. Syntex, up 1/4 to 35 3/8. Houston Oil & Minerals, down 1/4 to 27, and McCulloch Oil, unchanged at 2 5/8.

Westman Industries closed at 18 7/8, down 1/8.

In Chicago most farm commodity futures posted sharp gains on the Board of Trade as soybean oil rose the limit.

'Oxy' to Sell European Retail Assets to French

LOS ANGELES, Dec. 18 (AP-DJ).—Occidental Petroleum Corp. said today it is selling "the major part" of its European retail marketing assets to ELF Union SA of France.

The company said the sale involves "primarily" 700 service stations and related facilities in Britain and West Germany.

The company said the British concerns are V.P. Petroleum Ltd. and Labovwoods Garages Ltd., with more than 500 V.P. service stations, and other facilities.

ELF Union is a unit of the French state-owned ELF-Erap group.

Occidental Petroleum said consideration for its marketing companies in Britain and West Germany "will be about their net book value of \$25 million," which will be principally represented by ELF Union's assumption of guarantees of debt of these companies.

New Publications

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NEW

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[illegible][illegible]

**All of these Securities have been sold. This announcement appears as a matter of record only.**

**\$25,000,000**

# Skandinaviska Enskilda Banken

### ***10¼% Capital Notes Due 1981***

*(Subordinated to deposits and other liabilities)*

*Principal, premium, if any, and interest payable in United States dollars in New York City or in certain cities outside the United States without deduction for or on account of Swedish withholding taxes, all as set forth in the Offering Circular. Interest is payable annually on December 1, commencing in 1975.*

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**28 November 1974**

مكة: امن الاصل



<u>-1974-</u>	Stocks and	Sls.	Ch'ge 3 p.m., prev	<u>-1974-</u>	Stocks and	Sls.	Ch'ge 3 p.m., prev	<u>-1974-</u>	Stocks and	Sls.	Ch'ge 3 p.m., prev
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December 19, 1974

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1. *Journal of the American Medical Association*, 1997; 277: 1039-1043.











